

June 26, 2003

By Hand Delivery & By Electronic Mail

Ms. Luly E. Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02889

Re: Docket 3463 - Report of March 13, 2003 Energy Efficiency Forum

Dear Ms. Massaro:

Enclosed in accordance with Section V. of the Amended Settlement ("Settlement") dated December 17, 2003 and approved by the Commission in Docket 3463 are ten copies of a report to the Commission summarizing a public Energy Efficiency Forum held on March 13, 2003. Under the terms of the Settlement, Narragansett Electric Company ("Company") agreed to sponsor two public DSM forums in 2003 for the purpose of both educating the public about its DSM programs and receiving input from the public about its programs. This report is jointly sponsored by the Company and the signatory parties to the Settlement in Docket 3463 (together, the "DSM Collaborative")

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions concerning our report.

Very truly yours,

Terry L. Schwennesen

Enclosures

**REPORT ON THE
ENERGY EFFICIENCY PUBLIC FORUM
OF MARCH 13, 2003**

**FOR
THE NARRAGANSETT ELECTRIC COMPANY**

June 16, 2003



REPORT ON THE ENERGY EFFICIENCY PUBLIC FORUM OF MARCH 13, 2003 FOR THE NARRAGANSETT ELECTRIC COMPANY

Summary

This Report provides a summary of the Public Forums on Energy Efficiency conducted for business customers by The Narragansett Electric Company (“Company”) on March 13, 2003. The forums were designed to educate interested customers about the Company’s energy efficiency programs and to receive feedback on the programs.

One forum was held for large business customers and a second for small business customers. Approximately 175 customers attended the forums. Feedback on the programs and the forums themselves was overwhelmingly positive. The following provides details on the planning, customer recruitment, and feedback received.

Forum Background

On page 9 of the Amended Settlement of the Parties in Docket 3463 (“In Re: The Narragansett Electric Company, Demand-Side Management Programs for 2003”), the Parties agreed

...that the Company will implement in 2003 two public forums for the purpose of both educating interested members of the public about its DSM programs and receiving input about its DSM programs. The Company will publish an agenda for each forum and provide notice to the public. In addition, the Company will provide to the Parties and to the Commission a transcript of each meeting. Finally, the Parties agree to submit a report or reports to the Commission summarizing the content of the forum and proposed actions to address feedback received. The purpose of these public forums will not only be to inform the public, but also to receive feedback to evaluate the effectiveness of the Company’s DSM programs.

This report is submitted by the parties to Amended Settlement, who also comprise the Rhode Island DSM Collaborative.

Planning

Preliminary plans for the Forums were developed by the Company. In planning the forums, the Company thought that one of the forums should be dedicated to commercial and industrial customers and the second forum to residential customers. The Company further decided that since the program offerings to large and small business customers differed, the C&I forum should be split into two sessions, a morning session for large customers and an afternoon session for small business customers. March 13, 2003, was chosen as the date for the forum.

The Company presented its plans to the Collaborative at its meeting of February 6, 2003. The Collaborative made helpful suggestions about recruitment, publicity, timing, and

feedback. Appendix A includes the material presented by the Company at that meeting. Appendix B includes an excerpt from the minutes of the meeting dealing with the Forum.

Customer Recruitment

The Company's Account Managers were responsible for recruiting large business customers to participate in the Forum. The Account Managers contacted each of their customers with a direct mail piece and then followed that up with a telephone call. Appendix C contains a template of the letter that was sent.

Recruitment of small business customers was done through Chambers of Commerce publications, public notices in the media, and with letters to small business program participants from 2001 and 2002. All sixteen chambers in the NECo service territory, representing a total of 8,113 members offered to assist us in getting the invitation and the word out to its members. Not included in this figure are The Central RI Chamber of Commerce members who learned about the forum from a link placed on their website to NECo's website, containing the invitation. Appendix D includes the small business customer letter. Attachment E includes the pre-event press release that we sent to invite the public. Attachment F includes the News Advisory we sent letting the media know of the event.

Forum Presentations and Oral Feedback

On the morning of March 13, 160 customers attended the large customer forum. Company representatives first provided the customers with an overview of the Company's programs, benefits, and new initiatives. This was followed by a feedback session, where the presenters fielded questions from the assembled customers.

The feedback session was wide ranging, encompassing questions about the programs as well as broader topics about electricity. Among the topics that were raised were:

- Non-electric benefits, particularly environmental benefits related to energy efficiency investments. Some customers expressed interest in being able to demonstrate to their internal audiences the non-electric benefits of their participation in energy efficiency programs. Another customer suggested using the EPA website where a conversion is available to express environmental savings in terms that are easy to grasp, such as equivalency to removing cars from the street.
- Expiration of standard offer. The Company described steps being undertaken by its sister company in MA, where the Standard Offer is expiring in 2004, and how lessons learned there will be influential in shaping proposals that may be developed in RI, where the Standard Offer will be expiring a few years later. The Company explained that the Standard Offer in Rhode Island continues until 2009 and could not predict what might happen to rates when standard offer is no longer an option for customers.
- Generation and transmission. While recognizing the importance of adequate supply and transmission resources, the Company noted that, as a distribution company, it has limited ability to influence their development in the wholesale market. Customer

generation is not supported by DSM funds, but the Company will work with customers on technical aspects of the project, such as interconnection.

- Administration of energy efficiency programs. Customers were informed that DSM funds collected from each sector generally go back to that sector. Customers were reassured that current legislation extends the programs in Rhode Island through 2012.
- Company's role in building codes and enforcement. The Company can influence the development of codes, and encourage code compliance through program participation, but is not and should not be involved in enforcement.
- Non-eligibility of power factor correction and capacitors under DSM programs. The Company's position that technologies need to provide demonstrable energy savings to qualify for rebates was explained. Customers have an incentive to improve power factor because of the tariff which penalizes customers with power factors below 80%. Company personnel are willing and able to assist customers with power factor correction outside of the programs, if desired.
- Available technical services. Details on some of the services mentioned in the presentation were provided. Technical assistance costs are usually split 50/50 between Narragansett Electric and the customers.
- Representatives of a school district and a college publicly expressed their appreciation to the Company for the rebate programs, technical assistance, and the positive working relationship over the years

In the afternoon of March 13, 13 customers attended the small business customer forum. Originally, approximately twice that number had registered to attend, but actual attendance was perhaps limited by bad weather that afternoon. Company representatives first summarized 2003 programs and changes. The small but lively group offered comments/questions about items such as:

- Tenant eligibility. A customer tenant in an historic building could participate in the programs if they are metered separately.
- Lighting applications. Questions about specific customer applications (outside display lot, photographic business) and lighting technology were addressed in detail. Customers were also told how to contact the lighting distributor to get replacement equipment for equipment installed through the Small Business Services program.
- Eligibility for large C&I programs. Customers were informed that they could participate in some Large Business program elements such as custom, Cool Choice, or technical assistance for lighting design. Details on the Cool Choice program were provided.
- Renewable generation. Customers were informed that funding for small renewable generation, such as windmills, is now administered by the State Energy Office.

Following the feedback session, there were demonstrations of new lighting technology and an on-line screening tool.

Attachment G includes the post-event press release.

Written Feedback

At the suggestion of the Collaborative, the Company developed customer feedback forms to solicit feedback from customers about the forums as well as about energy efficiency program services. Among large customers, 62 customers (39%) completed the survey. Eighty percent were recruited by the customer letter, with the balance of those responding indicating the customer phone call. About 58% of the respondents were in facility management functions, with others being split between operations, business management, or non-respondents.

Among the small business customers, 10 customers (77%) completed the survey. Sixty percent of the respondents found out about the forum from the Chamber of Commerce and 40% from the letter to customers. Respondents were evenly split between facilities, operations, or business positions.

Feedback from customers at both sessions was overwhelmingly positive.

The survey included ten statements. Customers were asked to rate the statements from 5 (strongly agree) to 1 (strongly disagree). The table below includes the statement and the average customer score. Most customers scored the statements with either a 4 or a 5; out of 674 individual responses there were only four responses to any statement that were scored with a 1 or 2.

Statement	Large Business		Small Business	
	Average # of Score	# of Responses	Average # of Score	# of Responses
1. Overall, participating in the Forum was beneficial to me.	4.4	61	4.8	10
2. The Forum was well organized.	4.7	60	4.7	10
3. The Forum helped me learn or understand some things about Narragansett Electric's energy efficiency programs I did not already know.	4.4	60	4.7	10
4. The formal presentations were sufficiently detailed.	4.4	60	4.9	10
5. Narragansett's personnel were well informed.	4.7	55	4.9	10
6. The Forum provided resources, contacts, and information that I can use in the future	4.4	57	4.8	10
7. There was enough time for discussion, questions, and answers.	4.7	56	4.8	10

Statement	Large Business		Small Business	
	Average # of Score	# of Responses	Average # of Score	# of Responses
8. Questions were answered satisfactorily.	4.3	52	4.9	10
9. I plan to contact Narragansett Electric about participating in its energy efficiency programs	4.5	56	4.9	10
10. This Forum was a good idea.	4.8	57	4.8	10

On the survey form customers were also given the opportunity to provide additional comments. Twenty-five customers provided comments. These comments are provided below.

Customer Type	Company Type	Comments
Small C&I		Great Info. To increase attendance, possibly advertise this with Providence Business News
Small C&I	School	Also work in operation and Facility Management
Small C&I	Hi-Tech	Speakers were personal & well informed.... Prefer 8-9 am to 11 am, however, this time was not a problem for me. Location is great.... As a small business moving into an old building, we can use all the assistance possible.
Small C&I	Video	Time of day: Early morning is better.... Not enough education about design services on site, school education for design services, mostly new fixtures/lighting information is found at Home Depot... Perhaps audit and design services can happen at Home Depot, Sears, etc. These sessions are good, and make sense, but what we need to reduce usage is more clients.
Small C&I	Auto Sales	Combine with sustainable energy... Good people
Large C&I		Good programs.... Was able to avail my company on a small project of your rebate program. Like how you kept to schedule. Look forward to more Forums.
Large C&I		Would have liked to see a little more on the environmental side of things.
Large C&I		The program was well presented and the facilities were excellent.
Large C&I	Metals	I still feel it is in both Narragansett Elec. Co. and its customer's best interest for help-- at least technical-- on power factor systems.
Large C&I	Navy	Continue program.
Large C&I	Manufacturing	Compressed air - building operators cert.
Large C&I	Chemicals	Michael's presentation way too long - all fluff - reduce to 7-minutes max. T/A presentation were good-concise-to the point-perfect time duration - enough about school lighting-3rd speaker rehashed 1st speaker too much.... Would have preferred a more technical seminar specific to review of rebates.... The program is a real benefit to Industry with a well managed structure. There is room for improvement. However, focus should be increased in the manufacturing environment. NG is reducing incentives faster than customer is utilizing them. Industry is not as advanced as far a NG may believe.
Large C&I	Finance	Well Done!... Great location. Stay at the Crossings for future forums and meetings.... Great insight to future programs.

Customer Type	Company Type	Comments
Large C&I	Manufacturing	In my opinion, too much detail on benefits of the programs.... Overall, very informative and well organized and planned.
Large C&I	Hospital	We have participated in these programs and will do so in the future.... Please send me information on the BOC program part 1.
Large C&I	Metals	The lecture was very good but speakers spoke too fast. A lot of material was covered but not enough detail. Perhaps provide a very in depth course/seminar on how to approach all the savings/efficiency programs.
Large C&I	Navy	I would like to see a handout on obtaining the technical assistance program and the procedures in using the program.... Summary of past rebate program effects DSM program size and future plans, changes.
Large C&I	College	The Forum was more a motivator to use the program, more time should be devoted to specific improvements to our [incomplete comment]Is something missing here?
Large C&I	Finance	Good general coverage of your energy failings approach.... Your representatives have helped me on many occasions in the past two years.
Large C&I	High Tech	More detailed to participants' fields (building, schools, facilities, etc.)
Large C&I	Insurance	I would like to see this forum at the end of the year for the upcoming year so that energy programs can be included in the upcoming capital budget.
Large C&I	School	#6 - I would like more information on BOC training for certification who, when, where and how much. Excellent information for the time allocated, location & time set was excellent. Please send the information packet as needed for attending BOC training. I know this will help me evaluate the school depts. needs and how to plan for them.
Large C&I	School	Regarding codes, I feel Narr. Elect. could play a major roll implementing a mandatory set of codes for Energy Efficient New & Retrofit construction.... Convenient location, good timing. Excellent program.
Large C&I	Manufacturing	Good meeting - Good location
Large C&I	Food and beverage	Company has made use of programs in early 2001. We will be doing additional projects in 2003 & 2004.

Proposed Actions to Address Feedback Received

The Company has compiled a list of specific customer requests and suggestions from both the oral feedback and written comments and is working to address each of them. Some of these have been fully addressed, while others have not yet been completed. Attachment L summarizes the status of the Company's responses.

Some customers provided comments on the timing and format of future forums. The Company has no plans to conduct additional forums for business customers in 2003, but, based on the positive feedback, will consider holding forums in 2004. Planning of any future forums will consider these comments.

Records

A copy of the presentation material for the Large Business Forum is provided as Attachment H, with a transcript of that Forum as Attachment I. Presentation material for the Small Business Forum is provided as Attachment J, with its transcript included as Attachment K.

ATTACHMENTS A through G

Attachment A: Forum Agenda presented to the RI Collaborative on February 6, 2003

RI DSM Public Forum
March 13, 2003
Warwick, Rhode Island
Tentative Agenda

- 7:30 - 8 Registration and breakfast
- 8- 8:15 Welcome (Kevin Menard)
- 8:15 9:30 Large Business Services presentations (Michael McAteer & Co)
- High level overview of current program offerings
D2/EI/TA/Commissioning/Schools...)
- Highlight any priority initiatives
- High level overview of recent program changes
- 9:30 10:30 Feedback (Jeremy Newberger)
- Experiences
- Enhancements
- 10:30 11:30 Table top presentations (4) (Staffing TBA)
- EI/D2
- Technical services/Commissioning
- Account Managers Face-to-face
- Initiatives
- 11:45 1 Lunch
- 1 1:30 Small Business Services Registration
- 1:30 1:45 Welcome (Kevin Menard)
- 1:30 2:30 Small Business Services presentation (Michael McAteer/Crystal Rahaim)
- High level overview of current program offerings
- Highlight any priority initiatives
- High level overview of recent program changes
- Maybe introduce vendors, some account reps?
- 2:30 3:30 Small C&I Feedback (Jeremy Newberger)
- Experiences
- Enhancements
- Recruit potential focus group participants

4. Forum Planning

Jeremy presented the proposed schedule for a Commercial and Industrial Public Forum on March 13, at the Crowne Plaza in Warwick (original attachment 4).

The Forum would have an informational component, as well as an opportunity for customers to provide feedback on their experiences and potential enhancements to the Business services programs. Other elements discussed:

- Collaborative members are invited to the Forum and will be introduced.
- The schedule will be aligned to give the maximum opportunity for feedback.
- Commissioners will be invited.
- Assuming some customers may not choose to or have the opportunity to speak, Bill Gilmore suggested creating a written evaluation form for receiving feedback and comment. Each attendee would be asked to fill it out and the form could also be used to improve the future forums.
- The Company will anticipate that some residential feedback will be offered as well. Laura will plan to attend.
- Recruitment of SBS customers was discussed. Janice suggested contacting Neal Downing, business writer for the Providence Journal, with a press release and an offer to be interviewed.

Action Item: Janice to provide Company with contact information for reporter.

Action Item: The Company will draft a feedback form to obtain feedback on both the programs and the Forum itself.

The residential forum was discussed. Originally slotted by the Company for the summer, the Collaborative recommended that it be done earlier. A May date, in the evening (7 to 9 pm) was suggested to attract the maximum attendance. The Crowne Plaza, a good central location, will be contacted for availability.

Action Item: The location and date will be confirmed.

The date for the Residential Forum has been scheduled for the evening of May 21 at the Crowne Plaza in Warwick.

Attachment C: Large Business Customer Letter Template

February 10, 2003

{Contact}
{Customer Name}
{Customer Address 1}
{Customer Address 2}
{City}, {State} {Zip}

Dear {Contact}:

Narragansett Electric Company is pleased to extend an invitation to you to attend a public forum on our Large Commercial and Industrial Energy Conservation Programs.

The forum will give you an opportunity to learn about the details of the 2003 programs, answer any questions you may have about the programs, and provide us with your insights regarding the programs or their design.

The details on the forum are as follows:

Date: Thursday, March 13, 2003

Time: 7:30 a.m. – 11:30 a.m.

Location: Crowne Plaza Hotel at the Crossings, 801 Greenwich Avenue, Warwick, RI

Agenda

7:30 – 8:00	Registration & Continental Breakfast
8:00 – 9:30	Large Commercial and Industrial Program Overview
9:30 – 10:30	Open Discussion / Question & Answer
10:00 – 11:30	Open Time w/ Account Managers and Program Managers (Optional) Application Review Questions about Site Specific Measures Table-top Displays

I hope you will be able to join us at this forum. We look forward to receiving any comments you may have. If you plan to attend, **please RSVP by Friday, March 7, 2003** to Joanne Scanlon at (401) 267-6608 or by email at joanne.scanlon@us.ngrid.com.

Sincerely,

{Account Manager}
Account Manager

Attachment D: Small Business Customer Letter

Dear Customer,

Narragansett Electric Company is pleased to extend an invitation to you to attend a Public Forum on our Small Business Services Energy Efficiency Program. Our records show that you have participated or otherwise shown some interest in the program in the past two years.

The Small Business Services Energy Efficiency Program is open to customers with an average monthly demand lower than 100 kW. It is a turnkey service which provides energy efficient improvements at your business and will help lower your energy costs while upgrading the performance of your building. Narragansett Electric will pay up to 75% of the cost of installation of the energy saving improvements and will finance the remaining balance interest free for 24 months.

The Public Forum will give you an opportunity to learn about the 2003 Small Business Program, including a reduction in the customer co-payment amount to participate in the program. We will be able to answer questions you may have about the program and introduce you to the people who implement the program, and you can provide us with your insights regarding this program and its design.

The details on the Forum are as follows:

Date: ***Thursday, March 13, 2003***

Time: ***Registration: 1:00 pm***

Program: 1:30 to 3:30 pm

Location: ***Crowne Plaza Hotel at the Crossings, 801 Greenwich Avenue, Warwick, RI***

Cost: ***Free***

We hope you will be able to join us at this Forum. If you plan to attend, **please RSVP by Monday, March 10, 2003** to Joanne Scanlon at (401) 267-6608, email: joanne.scanlon@us.ngrid.com; or Wendy Carriero at (401) 784-7416, email: wendy.carriero@us.ngrid.com.

If you are unable to attend this Forum and would like to learn more about the Small Business Services Program, please contact us at 1-800-332-3333 for more information.

Thank you.

News

FOR IMMEDIATE RELEASE

CONTACT: Amy Atwood
508-389-2627

**R.I. BUSINESS OWNERS INVITED TO FREE ENERGY EFFICIENCY
FORUM ON MARCH 13**

WARWICK, R.I., March 7, 2003 -- To show Rhode Island business owners how they can save money by conserving energy, Narragansett Electric is sponsoring a forum on the company's latest energy efficiency programs. Narragansett Electric representatives also will be available to answer individual questions and gather insights from the business owners regarding the programs' offerings and design.

The free public forum will take place on Thursday, March 13, 2003 at the Crowne Plaza Hotel at the Crossings, 801 Greenwich Avenue in Warwick. There will be two sessions: the first is for large business customers (such as factories or large commercial outlets) and will be held from 8:00 – 11:30 a.m., with registration at 7:30 a.m., while the second is for small businesses (those with an average monthly demand of 100 kilowatts or less, such as small retail outlets) and will be held from 1:30 – 3:30 p.m., with registration at 1:00 p.m.

RSVP by Tuesday, March 11 by calling Joanne Scanlon at 401-267-6608 or email Joanne.scanlon@us.ngrid.com. Reservations are preferred, but not required.

If a business owner is unable to attend the forum, but would like more information on the energy efficiency programs offered by Narragansett Electric, please call 1-800-332-3333.

Narragansett Electric serves 465,000 customers in 38 Rhode Island communities and is an electricity distribution subsidiary of National Grid.

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News

FOR IMMEDIATE RELEASE
March 11, 2003

CONTACT: Amy Atwood
508-389-2627

NEWS ADVISORY

- WHAT:** Narragansett Electric Company will sponsor a free public forum on its latest energy efficiency programs for businesses. Narragansett Electric representatives also will be available to answer individual questions and gather insights from the business owners regarding the programs' offerings and design.
- WHEN:** Thursday, March 13, 2003
Large business customers (such as factories or large commercial outlets): registration at 7:30 a.m., program from 8:00 – 11:30 a.m.
Small business customers (those with an average monthly demand of 100 kilowatts or less, such as small retail outlets): registration at 1:00 p.m., program from 1:30 – 3:30 p.m.
- WHERE:** Crowne Plaza Hotel at the Crossings
801 Greenwich Avenue
Warwick, RI

News

FOR IMMEDIATE RELEASE

CONTACT: Amy Atwood
508-389-

2627

NARRAGANSETT ELECTRIC SHOWS BUSINESS CUSTOMERS HOW TO SAVE MONEY BY SAVING ENERGY

WARWICK, R.I., March 17, 2003 – Saving energy while saving money was the focus of a free public forum for business owners sponsored by Narragansett Electric Company at the Crowne Plaza Hotel in Warwick on March 13.

“Business owners have a number of different challenges to contend with, including many rising costs in today’s economy,” said Kevin P. Menard, vice president of Narragansett Electric Company. “We want to do all we can to help our business customers thrive here in Rhode Island.”

Approximately 175 participants attended the forum, which consisted of two sessions: one for large business customers, such as factories or large commercial outlets, and the second for small business customers with an average monthly demand of 100 kilowatts or less, such as small retail outlets.

The session for large business customers highlighted two of Narragansett Electric’s energy conservation programs. The Design 2000*plus* program, geared

toward businesses that are considering new construction or renovation of existing buildings, offers technical design assistance and financial incentives to incorporate energy-efficient options. The Energy Initiative program provides incentives for the upgrade of existing equipment through the installation of high-efficiency equipment.

The session for small business customers focused on Narragansett Electric's 2003 Small Business Services Program, which provides retrofit installation of energy-efficient lighting and other electricity-saving devices, such as water heaters, refrigeration and air conditioning equipment. Narragansett Electric pays for 75 percent of the total project cost, and customers may finance the remainder for up to 24 months, interest-free, through payments on their electric bill.

"The forum also gave us the added benefit of hearing valuable insights from our customers regarding our programs' offerings and design. There were many interesting suggestions for further improving our services for customers," said Menard.

Business owners who were unable to attend the forum but would like more information on the energy efficiency programs offered by Narragansett Electric can visit www.narragansett.com or call 1-800-332-3333.

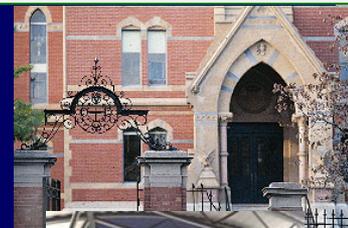
Narragansett Electric serves 465,000 customers in 38 Rhode Island communities and is an electricity distribution subsidiary of National Grid.

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ATTACHMENTS H through L



Our Customers are Important to Us



Narragansett Electric Company

Large Business Energy Efficiency Forum

Welcome

Kevin Menard
Vice President

Narragansett Electric

A National Grid Company



Rhode Island Business Forum Agenda

- ◆ **The Big Picture** – Cumulative Benefits from Efficiency Planning
- ◆ Programs – Features and Benefits
- ◆ Technical Delivery and Process
- ◆ New Initiatives and Changes for 2003
- ◆ Questions and Answers
- ◆ Plan for Program Participation



Programs are Dynamic and Support Economic Development

The Big Picture

- ◆ Since 1992, utility spending in efficiency exceeded \$82 million
- ◆ More than 12,000 business customers participated
- ◆ Customer savings exceeded 270,000 annual MWH and 66 MW
- ◆ Value to business community \$183 million



Efficiency Programs Benefit the Environment

- ◆ **Equivalent savings in electricity to supply 45,000 homes a year**
- ◆ **Reduced smoke stack emissions since 1992**
 - ✓ **78,000 Tons Coal Reduction**
 - ✓ **245,000 Tons CO₂**
 - ✓ **1,900 Tons SO₂**
 - ✓ **650 Tons NOX**





Narragansett Electric

A **National Grid** Company



The Nation

sketches business incentives

Buildings:

- ◆ Use 1/3 of the Nation's primary energy. (This becomes over 50% when taking into account the energy use of the infrastructure needed to support buildings.)
- ◆ Use 2/3 of the Nation's electricity

44.84 POINTS

4.35

Markets

The US dollar	0.9985	euro	no change
10-year Treasury	4.15%	▲ 0.09	
Bloomberg			
Mass			

Fund firm to cut staff

Pioneer Investment
of the oldest
plans

Business

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astronaut who
s, said: "To hold
d to speak out es

action, Glenn a
statement over the w
ad to establish a p
y committee. "It's
I think he's pre
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The Nation

WEDNESDAY, DECEMBER 4, 2008

sketches business incentives

Buildings - Environmental:

- ◆ **Contribute over 1/3 of the Nation's greenhouse gas emissions**
- ◆ **Generate 40% of the Nation's solid waste (construction waste)**

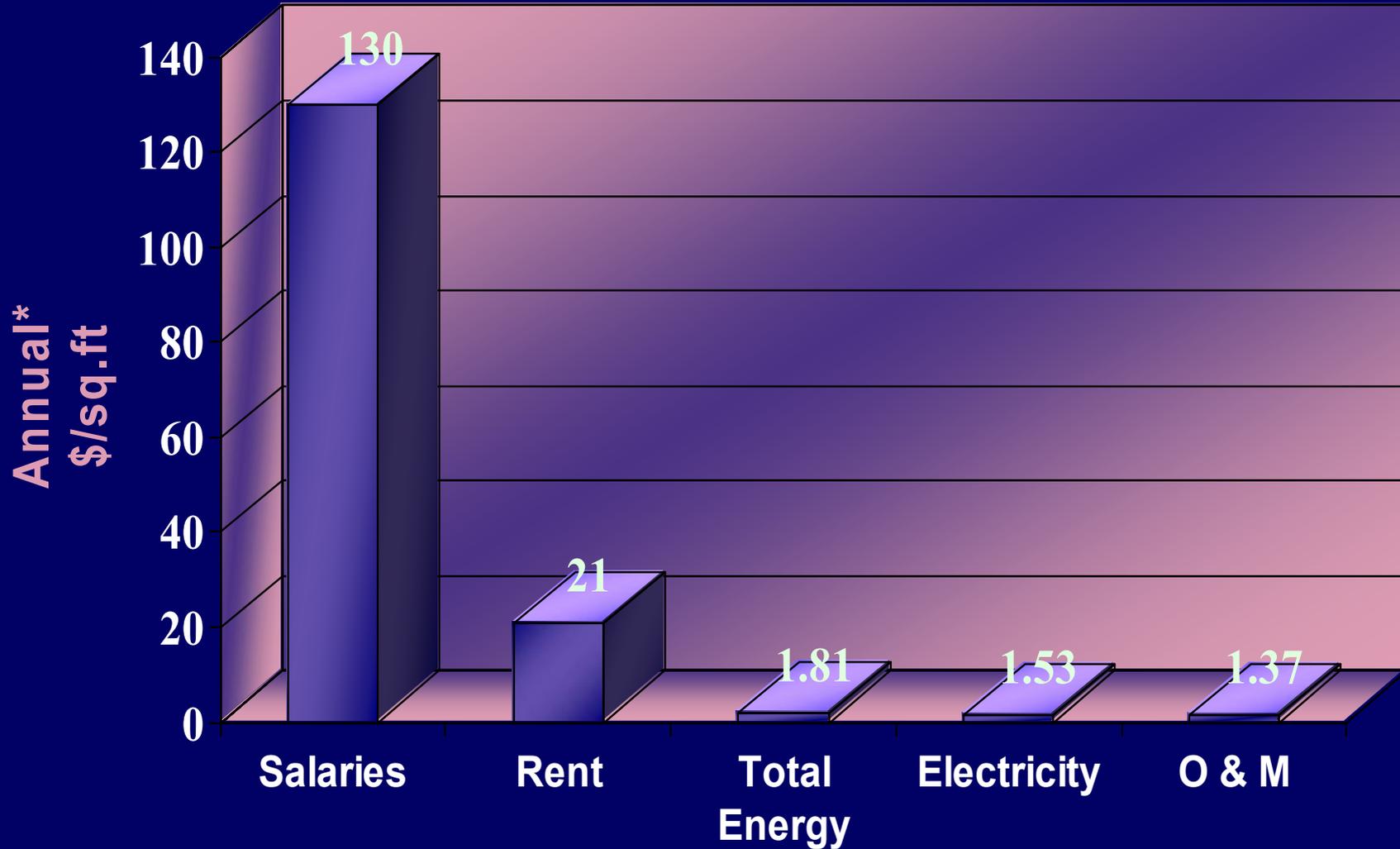
Business

44.84
POINTS
↑
daq
0.35
Markets
The US dollar
0.9985 euro
no change
10-year Treasury
4.15% ▲ 0.09
Bloomberg
Mass

Fund firm to cut staff
Pioneer Investment
of the oldest
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I think he's pre
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Comparison of Building Costs



* 1991 Source: BOMA, EPRI, Statistical Abstract in RMI "Greening the Building and the Bottom Line, 1994

Narragansett Electric

A National Grid Company





Design 2000_{plus} and Energy Initiative:

2003 Proposed Spending to assist commercial, industrial and municipal customers in replacing inefficient electrical equipment and systems.



12.7 M Program Budget

Narragansett Electric

A National Grid Company





Design 2000^{plus} and Energy Initiative:

- ◆ Objective of programs
 - Improve **standard practice** design
 - Expand **understanding** of design options
 - Offer **technical assistance** to designers, builders and owners
 - Provide **rebates** to owners saving electrical energy

Narragansett Electric

A National Grid Company





Addresses Different Markets

◆ Design 2000_{plus}

- Targets time dependent opportunities in new construction, renovation, and equipment replacement
- Promotes comprehensiveness and optimization of energy systems

◆ Energy Initiative

- Targets existing equipment and systems



A photograph showing the wooden structural framework of a building under construction, with various beams and trusses visible against a clear blue sky.

Programs Assist Market Transformation

- ◆ Moves the market toward energy efficient design and construction
- ◆ Sets stage for high performance buildings
- ◆ Delivers electric service in a more competitive and sustainable manner

Narragansett Electric

A **National Grid** Company



What Do We Believe?

BREAKTHROUGH
The PARAMAX 2nd family. Tradition Parabolic for Today.
of Quality Continues...

State-of-the-art, roll-form fabrication process yields precise lenses and housing curvature to provide superior optical performance. Automated assembly, mirrored corners and interlocking construction ensure the most consistent, high level of quality available in the industry. Increased material and part finishing significantly enhance overall product quality and performance.

Code 30
Compliant

In Stock!

2PM3N
Designed for Optimum Performance with T8 Systems.

The new Paramax 2PM3N Series features an innovative optical design that is optimized for the physical attributes of a T8 lamp. The 2PM3N Series is engineered for maximum efficiency while maintaining excellent optical control and visual comfort. The one-piece, roll-formed housing is only 5/16" deep and features an enhanced paint finish, hemmed edges for easier handling and recessed T8 retention.

75.4% Efficient

LITHONIA LIGHTING

- ✓ Conservation programs transform markets
- ✓ Major manufacturers embrace utility energy efficiency specifications

Narragansett Electric

A National Grid Company





Benefits to Customers

- ◆ **Cash rebates reduce construction cost**
- ◆ **Added value enhances investment**
- ◆ **Lower operating costs help sustain operations**
- ◆ **Improved building performance good for shoppers, students, residents, workers**





Program Rebates

- ◆ **Design 2000_{plus}**

- Up to 75% - 90% of incremental cost between standard practices and premium efficiency

- ◆ **Energy Initiative**

- Covers 45% of total installation cost for high efficiency equipment or 'buys down' project to a 2 year payback, whichever is less





Programs Are Flexible

- ◆ Participation possible at many levels
 - **Prescriptive** approach
 - pick and choose
 - **Custom** approach
 - for unique situations
 - **Comprehensive Design** approach
 - for maximum benefits



Experience Drawn From Many Projects

- ◆ Speculative offices
- ◆ Supermarkets
- ◆ Industrial facilities
- ◆ Regional malls
- ◆ Public schools
- ◆ Colleges/Universities



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Satisfied Customer - Our Top Priority

◆ *Energy Efficiency Programs:*

- Design 2000*plus*
- Energy Initiative

◆ *Measures include:*

- Geothermal GC Heat Pump
- Lighting
- Water cooled chillers (HVAC)
- Motors
- Variable speed drives on chilled water pumps
- Energy Savings per year: \$261,510 or 3,268,881 kWh
- Cumulative Incentives Paid: \$792,538 since 1992



Community College of Rhode Island

Narragansett Electric

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Satisfied Customer - Our Top Priority

Toray Plastics (America), Inc.

◆ *Energy Efficiency Programs:*

- Design 2000*plus*
- Energy Initiative

◆ *Measures include:*

- High efficiency chiller
 - HVAC - cool storage
 - Motors
 - Lighting
- Energy Savings per year: \$469,553 or 5,869,420 kWh
- Cumulative Incentives Paid: \$1,136,746 since 1992



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Satisfied Customer - Our Top Priority

- ◆ ***Energy Efficiency Program:***

- **Design 2000*plus***

- ◆ ***Measures include:***

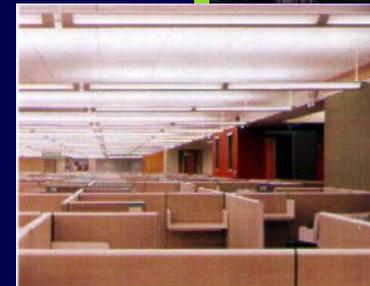
- **Indirect Lighting**

- **Low Temp Air Dist**

- **High Performance
Glass and Daylight
Dimming**

- **\$50,000 Savings Annually**

- **24%Return on Owners Investment**



Fidelity Investments

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What Is Value To Owners And Customers?

- ◆ Reduce building energy use up to 20 percent
- ◆ lifetime savings far exceeds rebates
- ◆ Paybacks can be as little as 5 years **WITHOUT** incentives
- ◆ Incentives make projects a **MUST DO**



What Other Services?

- ◆ **Comprehensive Design Approach**
- ◆ **Comprehensive Chiller**
- ◆ **Financing**
- ◆ **Ballast and Lamp Recycling**
- ◆ **Buyers Alliance**



A Quick Step Through Narragansett Electric's Experience With Comprehensive Design

But First....

Breaking Trends:

- ❑ Customers support 'Better Bricks makes Sense'
- ❑ Building Science Proving Itself
- ❑ Productivity Benefits Resonate with customers
- ❑ Environmental Issues Real



Brown University Comprehensive Design Approach

Goal Setting Session:

- ◆ Reduce the loads first! High performance envelope – glazing and wall sections
- ◆ Achieve 10-15% or better below ASHRAE/IESNA Standard 1999
- ◆ Chiller Optimization
- ◆ LPD Lighting Direct/Indirect-Day Lighting
- ◆ Optimized Energy Management Systems
- ◆ ENERGY STAR™ Equipment



MacMillan Building



- ◆ **Brown University Campus**
- ◆ **Undergraduate Science Building**
- ◆ **Providence, Rhode Island**



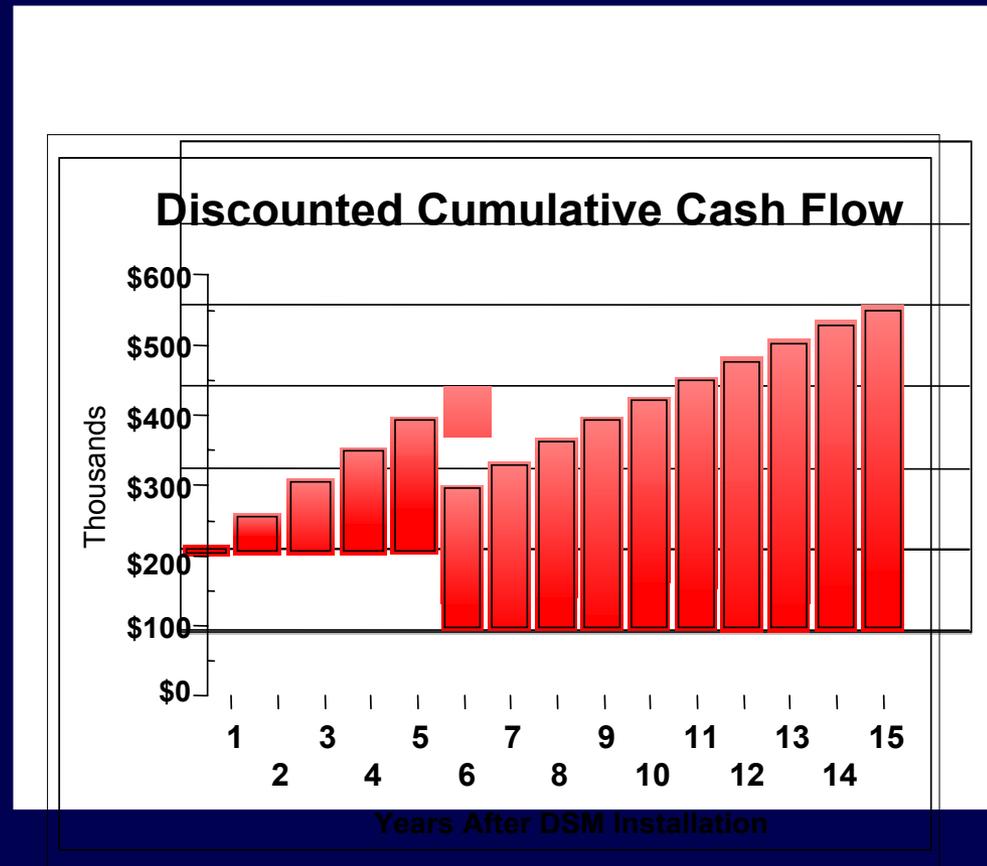
MacMillan Building

- ◆ Controls
- ◆ VSD's
- ◆ High Efficiency Chillers
- ◆ Lighting
- ◆ Motors
- ◆ Daylight Harvesting



Great Financial Performance

- ◆ \$232,000 Rebate
- ◆ 15-year discounted value of \$540,000
- ◆ 26% Return on Owner's Investment after Rebate Applied



Example of Comprehensive Design Approach (CDA)

A two-story, 155,000sf suburban office

A 1979 building well constructed by the standards of that time. Similar to many in corporate and industrial parks throughout New England.



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Examples of CDA Strategies

- ◆ Initial strategies saved 639,000 kWh annually
- ◆ Reduced building peak load by 61 kW
- ◆ Savings over a merely code-compliant building:
 - 25 cents per square foot
 - \$39,700 the first year



Examples of CDA Strategies

- ◆ **Special effort can identify additional cost effective energy conservation measures.**
- ◆ **Improved Results**
 - ◆ **Energy use 20 percent below the first-level design**
 - ◆ **Energy use 43 percent below a code-minimum building**
 - ◆ **The additional measures saved 483,000 kWh over the first level of efficient design.**
 - ◆ **Electrical operating costs estimated lower by an additional \$45,000 each year.**



What We Recommend

- ◆ **Don't accept code-minimum design**
- ◆ **Use best practices**
- ◆ **Set benchmarks and targets for performance**
- ◆ **Keep eye on O&M practices and Commissioning**



What Is Gaining In Practices



- ◆ Introduction of Better Buildings through daylighting
- ◆ Energy Efficient and Effective
- ◆ <1.0 watts/sq.ft Design Goal
- ◆ Greater Visual Comfort



Schools Provide Terrific Opportunity



- ◆ Best Practices
- ◆ Uniform Brightness
- ◆ Daylight Harvesting

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Plenty Of Room For Improvement



- ◆ Standard Practice
- ◆ Poor Visual Environment
- ◆ Uncontrolled Day lighting
- ◆ Glare
- ◆ Inefficient-too much light in the wrong places



Best Practices – Comprehensive Design Approach

- ◆ **Best Treatment for optimized savings and design**
- ◆ **Interdisciplinary- Builds on Design Team's Strengths**
- ◆ **Operating costs reduced \$0.25/sq.ft**
- ◆ **Premium costs for integrated approach from \$0.50 to \$3/sq.ft**



Sustainable Design: Step to Better Design and Construction Practices

- ◆ A sustainable design provides for our current needs without compromising the needs of future generations.
 - Aesthetic criteria
 - Functional criteria
 - Energy criteria
 - Financial criteria



The Explore the Bay Center

Save the Bay

- ◆ **Soon to be built at Field's Point in Providence.**
- ◆ **Reclaims a former industrial brownfield site using model watershed protection, reclamation and restoration practices**
- ◆ **Energy and water use will be minimized using design practices and technologies that demonstrate that sustainable systems are feasible and aesthetically acceptable**
- ◆ **Narragansett Electric will provide incentives for a state of the art lighting system with daylight controls.**



Economic Benefits Through Sustainable Design Practices

The Hard Numbers

- ◆ Reduce operating costs
- ◆ Enhance asset value & increase profit
- ◆ Possible reduced or neutral first costs
- ◆ Optimized life cycle economic performance



Economic Benefits Through Sustainable Design Practices

The Soft Numbers

- ◆ Improve productivity
- ◆ Reduce absenteeism & maintain better occupant health
- ◆ Reduce liability



Health and Safety Benefits

- ◆ Increase quality of indoor air, thermal, and acoustic environments
- ◆ Decrease harmful pollutants/contaminants in the indoor and outdoor environments
- ◆ Decrease the number of potential accidents
- ◆ Increase personal satisfaction



How Does All This Benefit Customers

- ◆ **Stimulating healthy environments**
- ◆ **Lower impact on environment**
- ◆ **Innovative high performance design and engineering**
- ◆ **Treats Bottom Line and Top Line**



Technical Assistance (TA) and Program Implementation

- ◆ **NECO has 2 full time Technical Representatives (TR), 12 Account Managers and 5 Account Representatives to Service Customers**
- ◆ **TA Helps customers identify energy efficiency opportunities**
- ◆ **TR responsible for reviewing and approving all Custom energy efficiency projects (technical prescriptive)**
- ◆ **Coordinate the services of outside energy efficiency consultants**



Technical Assistance Services

- ◆ Consulting services provided by many local & regional firms
- ◆ Firms specialize in energy saving project analysis
- ◆ Services:
 - simple walk through audits to identify opportunities
 - detailed energy savings and installation cost estimates
 - design & construction assistance
- ◆ Annual budget of over \$400,000 (split cost 50/50)



What Area's of Expertise Do We Cover?

- ◆ Chilled water systems
- ◆ Lighting systems
- ◆ Rooftop air handlers
- ◆ Energy Management Systems
- ◆ Building shell improvements
- ◆ Water pumping and waste water treatment plants
- ◆ Injection molding equipment
- ◆ Compressed air systems
- ◆ Process water systems
- ◆ Variable speed drives on pumps or fans
- ◆ Metering equipment power, pressure, temperatures, etc.



Commissioning Services

- ◆ Provides “follow-up” services to ensure your project achieves the projected savings
- ◆ Targeted towards complex projects where the savings are control dependent
- ◆ Commissioning is a team effort between owner, engineers, vendors and contractors
- ◆ Consultant works with customer through:
 - Design and specifications
 - Installation and start-up
 - Operational verification
 - Maintenance Training



Commissioning Benefits

The energy efficient equipment is properly:

- ◆ selected
- ◆ installed
- ◆ set-up
- ◆ operates efficiently “as a system” and savings will be maintained over the long term!



New Changes and Initiatives for 2003

- ◆ **New for Design 2000_{plus} and Energy Initiative Lighting**
 - **Tandem Wire lamp ballast retrofit**
 - **“Super T-8” upgrade for fluorescent**
 - **Flashing Yellow Traffic Signals**



Large Business Programs - New for 2003

- ◆ **Changes for Design 2000_{plus} and Energy Initiative Lighting**
 - **“High Intensity Fluorescent” Design 2000_{plus} customer rebate increased**
 - **“High Intensity Fluorescent” (HIF) occupancy controls and MH track for Energy Initiative lighting, rebate revised based on current costs**



Large Business Programs - New for 2003

- ◆ **Other program changes**

- **Rebates for occupancy controls new construction eliminated (current code requirement)**
- **Energy Initiative Custom Projects, rebate reduced to 45% of total cost**



Narragansett Electric Schools Initiative

Building Sustainable Schools



Woonsocket Public Schools, Harris Elementary

The Barriers

- ◆ High First Cost
- ◆ Unfamiliarity with energy efficient technologies
- ◆ Often Architects and engineers do not sell the benefits

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Schools Initiative

Building Sustainable Schools



West Warwick School Dept., New Elementary School

- ◆ Offer incentives on state of the art lighting technologies
- ◆ Offer Comprehensive Technical Services
- ◆ By working with architects and engineers who specialize in schools we can transform practices to high performance

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Schools Initiative

Benefits to the Community



- ◆ Districts are provided with schools that are better lit with a better learning environment
- ◆ Districts are educated in the benefits of high quality, energy effective lighting
- ◆ Engineers and Architects gain confidence in high quality lighting design and can “up sell”.

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Training Offerings: Building Operator Certification (BOC)



- ◆ **Competency-based training and certification for building operators**
- ◆ **Designed to improve the energy efficiency of commercial buildings**
- ◆ **Operators earn certification by attending training sessions and completing project assignments**



Building Operator Certification (BOC)



Who is It For?

- ◆ Staff responsible for the maintenance and operation of equipment and systems

What are the Certification requirements?

- ◆ must attend seven classes (6 one-day and 1 two-day)
- ◆ complete open book tests
- ◆ Complete four on-the-job application projects



BOC Course Description



- ◆ **Building Systems Overview**
- ◆ **Energy Conservation Techniques**
- ◆ **HVAC Systems And Controls**
- ◆ **Efficient Lighting Fundamentals**
- ◆ **Maintenance And Related Codes**
- ◆ **Indoor Air Quality**
- ◆ **Facility Electrical Systems**





Compressed Air Challenge

- ◆ Training seminars offer customers and vendors – a fully developed and comprehensive approach for compressed air system options
- ◆ Training is led by compressed air experts
- ◆ Provide customers with strategies they can implement immediately
- ◆ Focus of training to give customers the knowledge and confidence to make positive changes in the way their compressed air system is managed



Fundamentals of Compressed Air Systems (Level I)

- ◆ A one-day introductory course designed to teach facility engineers, operators and maintenance staff how to achieve 15-25% cost savings
 - calculate the energy cost of compressed air in the facility
 - improve compressed air system efficiency and reliability
 - better compressed air control to improve productivity and profitability



Advanced Management of Compressed Air Systems (Level II)

- ◆ **Level II is an intensive two-day training that provides in-depth technical information on troubleshooting and making improvements to industrial compressed air systems.**
 - **collect and use data and tools to assess the efficiency and cost- effectiveness of a compressed air system**
 - **implement a system maintenance program**
 - **understand complex control system strategies**
 - **successfully sell compressed air improvement projects to management**



Project Expediter

- ◆ Turnkey service provider for Energy Initiative and Design 2000*plus* prescriptive applications less than or equal to \$25,000
- ◆ Flexible approach to support customers with developing efficiency and installation plans
- ◆ Project Expeditors are selected through a competitive bid process
- ◆ Narragansett Electric conducts post-installs and authorizes payment



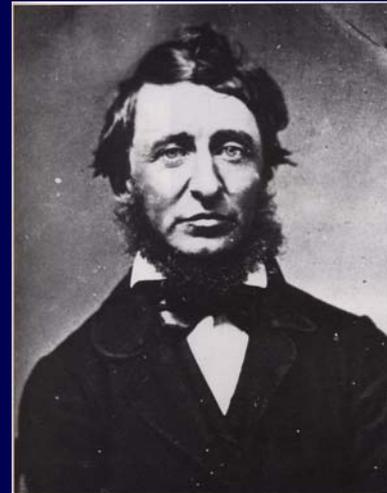
Assistance

- ◆ **Work closely with Company's Account Manager**
- ◆ **For complex projects, a Technical Representative or Design Liaison can be assigned**



Take Away Message

- ◆ **Reducing energy costs is good business practice**
- ◆ **Integrated and Sustainable Design practices will become an increasing part of business**
- ◆ **Take advantage of utilities programs, services and trainings available**



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STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS

IN RE:

NARRAGANSETT ELECTRIC
COMPANY LARGE BUSINESS
ENERGY EFFICIENCY FORUM

-----/

MARCH 13, 2003
8:00 A.M.

CROWNE PLAZA HOTEL
AT THE CROSSINGS
WARWICK, RI

BEFORE:

KEVIN MENARD, VICE-PRESIDENT

A-1 COURT REPORTERS, INC.
(401) 333-3381

1 (COMMENCED AT 8:07 A.M.)

2 MR. MENARD: My name is Kevin Menard.

3 I'm vice-president for Narragansett Electric.

4 I'd like to welcome everyone to our DSM forum.

5 The forum is presented by Narragansett Electric

6 and by the Rhode Island DSM Collaborative. The

7 purpose of the forum is to educate you on

8 programs and program details and also supply you

9 with some information on how the programs are

10 developed.

11 So we'll get into what the programs are

12 for the 2003 program year and then a little bit

13 of information on how they're developed and why

14 some things are the way they are. When that is

15 done, we'll have an opportunity for questions and

16 answers and some discussion on particular points

17 if someone has something you want to bring up.

18 And then when that part's finished, you'll have

19 the ability if you desire to go one on one with

20 either the program managers or your account

21 managers. They're all here.

22 Oh, the forum is a result -- each year

23 when we file our programs, we file our programs

24 with the Rhode Island PUC for approval, and it

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1 goes through a whole approval process where they
2 look at everything that we're doing. And last
3 year, last fall when we did this, part of
4 the settlement process was at the request of the
5 PUC to get out and have this kind of a forum to
6 have an exchange with customers, an exchange of
7 information. So that's the reason why we're
8 here. We're interested in hearing comments from
9 you about the programs and about your
10 experiences. Hopefully we can extract from that
11 and maybe find ways to improve the programs more.

12 As you can see, we have a stenographer
13 here; and, again, that is at the request of the
14 Commission so we can create a permanent record.
15 And this and the whole day will be sent to the
16 PUC for their review.

17 We have a number of people here from
18 the company, and also, actually, we expected --
19 we had expected a few people from the Rhode
20 Island DSM Collaborative. We do have one member
21 of the Collaborative, and it's Janice McClanaghan
22 from the Rhode Island State Energy Office. There
23 may be others coming in later. We also have --
24 I'm not going to go through all the names, but

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1 all our Northborough staff, which are the people
2 who design the programs, who support the
3 programs, evaluate our programs and so on. We
4 have a number of people here. So if everybody
5 can just stand up and raise your hand so people
6 can see you. And they will be around should you
7 have specific questions later on.

8 Also, again, all of the account
9 managers are here. Hopefully you've all had a
10 couple of minutes to talk to your account
11 manager. But if they'd all stand up, all the
12 account managers around the room. Thank you.

13 Let's see. A little bit of
14 housekeeping. Should you need to -- obviously
15 there's coffee and things out there, so don't be
16 shy. If you need another coffee, just slip out
17 and get it, come back on. We're going to keep
18 this moving so that, again, we can get you out of
19 here.

20 On your tables, I believe there's a
21 pile of program evaluations. We'd really
22 appreciate at some point during the course of the
23 morning for everybody to take a minute and fill
24 them out. When you're done, just leave them on

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1 the table, we'll pick them up later.

2 And the rest rooms, if you need them,
3 are out the door you came in and down to the
4 left.

5 And then one last item before we kick
6 this off. If you would hold your questions,
7 there's such a large crowd, if you'd hold your
8 questions until the question and answer period,
9 that will allow us to get through the
10 presentation. It's such a large crowd, if we get
11 sidetracked with questions, we may not get back.
12 And we'll have as much time as you want for
13 questions and answers.

14 With that I'll introduce Michael
15 McAteer, will be our first presenter.

16 MR. McATEER: My name is Michael
17 McAteer; and it's been actually 12 years ago when
18 we first began designing these programs, so we're
19 delighted to have such a turnout today.
20 Particularly I'm thinking about 12 years ago when
21 we first started the large business services. We
22 have asked all of our customers to come in and
23 give us feedback to help us sort of think about
24 how we could be useful. And, you know, we did --

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1 for two or three years we've had similar turnouts
2 as we have today. So we really have a milestone;
3 and things are very different from what it was 12
4 years ago to today.

5 Primarily as we were beginning to think
6 about how to be useful and provide services to
7 help our customers reduce costs, we were very
8 much in the infancy of development, and most of
9 what we offered was primarily prescriptive
10 approaches and primarily in lighting. And as
11 we'll see today when we go through some of the
12 specifics of the programs, we see pretty dramatic
13 improvements where we go well beyond looking at
14 buildings in pieces but more in terms of design
15 and much more comprehensive.

16 Thank you all for coming, and what we'd
17 like to do in the next 45 minutes is just sort of
18 go through the agenda here. We're going to talk
19 a little bit about the larger picture and how
20 this fits into economic development. And I think
21 one thing that is worthy to say is that Rhode
22 Island is very much in a leadership position as
23 far as really development from a public policy
24 perspective. And I think there isn't a state in

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1 the union that has a long-term plan for helping
2 business customers manage their costs. So it's
3 fortunate that we're in a very fertile
4 environment.

5 So we're going to talk a little bit
6 about the big picture, specifically on the
7 programs, what are those features and benefits.
8 We want to look at the technical delivery and the
9 process as to how each of you can access these
10 services, and then a little bit about where we
11 see some of the direction going, particularly
12 with training and the benefits that are coming
13 from beginning to recognize that operation and
14 maintenance of buildings are very, very
15 important. So it's kind of a little bit on that
16 and some of the new features that we have offered
17 in 2003. And then I think the real substantive
18 part of the program today is to get each of you
19 thinking about how we can be more helpful and ask
20 questions and how we can refine some of the
21 services that we're offering. And then we'll
22 also break up, and we have in the back tables set
23 up so we have all of our account managers here
24 and Northborough staff and others that you can

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1 talk to as you think about ways that you want to
2 develop your own plans that are going forward or
3 more on a specific individual basis. So with
4 that let's move right into it.

5 I think it's always worth it to think
6 about where we come from and where we're going
7 to. And when we look at energy efficiency and
8 planning and how we build better buildings, we
9 can see that over the last ten years just in the
10 State of Rhode Island with the large business
11 customers that the company has essentially
12 provided money exceeding \$82 million to provide
13 each of our customers an opportunity to increase
14 efficiency in their operations. Twelve million
15 customers have been addressed. The savings
16 exceeded 270,000 annual megawatt hours and 66
17 million megawatts. And what I think is really
18 significant, when we think at what is energy
19 efficiency or good planning in terms of the way
20 buildings were built have to do with economy or
21 economic development; and over \$183 million has
22 been poured back into the economy to support
23 better efficiency. So it's a pretty dramatic set
24 of results for the last ten years. We would

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1 certainly hope that we could be equally as robust
2 going out the next ten years.

3 The other thing that we're seeing is
4 that it's a significant benefit on the
5 environment. Everybody is, I'm sure is aware of
6 climate change and what is being asked by,
7 specifically by businesses. So energy efficiency
8 here has given a pretty strong showing on what
9 those benefits are. I sometimes have a hard time
10 thinking what is 270,000 megawatt hours. How do
11 you get your arms around that? And in this case,
12 just to get a little bit of a benchmark on it, we
13 can see that 45,000 houses, you know, homes that
14 are powered. And in terms of what all of us know
15 is important in the environment is looking at
16 coal reduction and reducing some of the
17 particulates in the atmosphere, to also reduce
18 CO2, NOX and SO2. So, again, it has a very, very
19 definite benefit not only on the economic
20 financial side but also on the environmental
21 side.

22 Here's where I think where really sort
23 of the nucleus we're talking about is the
24 building environment; and this, as you all know,

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1 is Downtown Providence. I think of buildings as
2 engines. They're like engines for enhancing
3 revenue, but they're also like engines that are
4 consuming valuable financial resources, that if
5 we can come up with strategic ways to reduce
6 those moneys, we can put them back into
7 businesses, into making business more
8 competitive. And if we've ever wondered what the
9 ultimate impact that buildings have, we can see
10 that a third of the nation's energy is going into
11 buildings; and if we look at the infrastructure
12 that supports that, you know, it's even up to
13 around 50 percent. And, you know, in terms of
14 electricity, two-thirds of all the electricity
15 generated, that is a significant number, is going
16 ultimately into buildings.

17 I talked a little bit about the
18 environment. Over a third of the nation's
19 greenhouse gases are ultimately the result of
20 buildings, and a significant amount of waste. So
21 anything we can do on the buildings environment
22 side as we're going to go through today, it does
23 have a pretty dramatic impact.

24 The other thing about buildings is they

1 cost a lot. They cost a lot to operate and to
2 run. And I'm sure all of you would agree that,
3 you know, if we look at it in annual dollars per
4 square foot, salaries would be a significant part
5 and rent is a significant part, but also on the
6 energy side, you know, you're close to \$2, almost
7 \$2 a square foot. So a very small incremental
8 change there, whether it be even as small as 10
9 percent. I've not met a building yet with modest
10 careful planning you can't get 10 to 15 percent.
11 By diving more deeply and introducing technology,
12 and with a more thoughtful process, you're likely
13 to get 20 to 25 percent. So it gives some sense
14 of value to looking at energy as a cost component
15 within buildings.

16 So the two programs that we have,
17 Design 2000 and Energy Initiative, is, right now
18 our budget and what we have available is pretty
19 robust, about \$12.7 million. So we feel
20 confident that the amount of the budget is
21 sufficient to accommodate our customers through
22 these particular programs.

23 The objectives are pretty clear:
24 Trying to improve standard practice designs. One

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1 of the things that we've seen over time is that
2 what started out as almost a frontier kind of an
3 energy conservation strategy and/or measure has
4 become baseline today. Good example, in lighting
5 I remember years ago when we were looking at
6 putting in energy efficient magnetic ballasts.
7 That was sort of the curve out in front. Now we
8 don't even have that. It's not even on the list,
9 as we've moved into electronic ballasts, you can
10 do things with chillers and drive speed,
11 etcetera.

12 The other piece that we found in these
13 programs is they've become sort of incubation for
14 understanding practices and the things that we
15 can ultimately provide our customers that then
16 become cemented. A good example being the
17 recognition today of getting more involved in
18 daylight and the ability for a lot of dimming
19 strategies that is coming out, a technology with
20 dimming ballasts that is becoming more and more
21 prevalent. And in the earlier years two or three
22 years ago we were looking at whole building
23 design. That was the piece that a few of our
24 customers did; but as they became more prudent,

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1 there have become more design options that are
2 available, and I think the cornerstone, the real
3 cornerstones that we're -- where we believe
4 there's value is on the technical assistance
5 side, which is essentially developing energy,
6 essentially developing a plan customized to our
7 customers' needs.

8 And then the other piece is capital.
9 Rebates that Narragansett Electric offers to help
10 defray some of the additional costs are addressed
11 in our two programs. Design 2000 Plus addresses
12 a different market than Energy Initiative.

13 Design 2000 Plus is for new
14 construction. Anybody who is building a new
15 building, they're doing a major renovation, or
16 they are replacing failed equipment, then we look
17 at offering services through Design 2000. The
18 build environmental. So existing buildings, we
19 recognize that in Energy Initiative. It's
20 looking at existing buildings that are out there
21 and how we can improve the efficiency in
22 operations. So those are really the two vehicles
23 to that.

24 We believe that programs assist market

1 transformation. It's kind of a fancy word, but
2 essentially what we hope to do through the
3 practices of these two programs and services that
4 we offer is we're trying to change the way
5 buildings are built, the way they're designed,
6 the way they're constructed, and the way they're
7 operated. And we have enough evidence that we
8 can see over time that those practices have
9 changed. It sets the stage for high performance
10 buildings and it helps us as a company to be
11 sustainable in delivering electricity.

12 How do we know this? Well, this is an
13 example. Lithonia Lighting, Fisher
14 Manufacturing, where they've actually taken a
15 fixture that we provide, a recessed parabolic,
16 more optically designed, more efficient, and
17 they're using it as a way to help them
18 differentiate themselves on the products that
19 they have. We can say the same thing about
20 Carrier or York and Trane or the people working
21 on chillers and packaged equipment where they've
22 actually recognized that this is an opportunity
23 to put out in the front more efficient, better
24 items to differentiate themselves. We work very

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1 closely; because clearly they're changing
2 practices, it's changing all across the board,
3 not only the architects or engineers that are
4 doing a lot of the design elements, but it means
5 working very closely with manufacturers, it means
6 working closely with distributors, electrical
7 contractors. All of you have an interest in
8 better buildings, and ultimately all of you can
9 share in that economic development that I talked
10 about earlier, benefits to the customers, cash
11 rebates to reduce the construction costs. We
12 believe if you put in premium efficiency
13 equipment in buildings the buildings are more
14 valuable, the investment is valuable, the
15 investment is more secure, lower operating costs
16 to sustain operations and recognizing that
17 improved buildings also has the option of
18 benefiting customers. We'll talk a little bit
19 later about what does that mean in terms of
20 productivity in some of the other areas that
21 we're mindful of going back to the earlier chart,
22 where is it, that buildings cost so much to
23 operate and salaries, and anything that can be
24 done on the productivity side enhances business.

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1 The rebates, I mentioned that one of
2 the clear cornerstones is being able to help
3 customers decrease some of those costs. And the
4 truth is, better buildings and more premium
5 efficient equipment costs more; and what we
6 designed around our program is to help defray
7 some of that cost. And the new cost of Design
8 2000 we're able to look at projects and provide
9 incentives that are from 75 percent to 90 percent
10 incremental cost.

11 Now when I say "incremental," it's
12 essentially recognizing that buildings are code
13 compliant, buildings have a certain level that
14 they're designed to. It's sort of a base level.
15 That's what's required by code. I sometimes say
16 the earlier code. Fortunately, we have a
17 wonderful code in Rhode Island that is pretty
18 forward thinking, but then we look at the next
19 step. So it's like, what are the better
20 practices that fit into a customer's building
21 program. So there's that a differential. And
22 that's what we look at in terms of incremental.

23 Now in the existing buildings it's a
24 little different; because we're essentially

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1 thinking about what is the baseline in an
2 existing building, what is the current mechanical
3 and electrical systems that are there. So we
4 look at things in terms of total cost. And in
5 that case we're covering roughly between 45 and
6 50 percent of the total cost. Can everybody hear
7 me?

8 "Programs Are Flexible." We tried to
9 look at how each of you do your business and
10 think of what is most useful and the ability to
11 access the programs. And so we have designed it
12 so that there's a prescriptive path; and that's
13 essentially setting up a menu of options across
14 different venues. So we design in lighting
15 different types of fixtures what can provide
16 incentives, different types of controls, compact
17 fluorescents, LED signs, things like that, where
18 it's a very menu driven approach. And in cases
19 where there's a compressed construction schedule
20 or for other reasons it allows the ability for
21 our customers to come in and say, we'd like to
22 take advantage of some of these sort of
23 prescriptive items, that's one level of energy
24 savings that can be achieved.

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1 The other is that not all things fit
2 into a prescriptive bag. It's important to be
3 able to offer a customized approach. Through
4 more investigative engineering, we can come up
5 with very specific applications that define the
6 cost, the savings, and the dependency of programs
7 in operation and maintenance and offer that more
8 customized approach. And then what we believe is
9 the more premium way of looking at buildings,
10 particularly if it's appropriate, and it's
11 involved in, primarily in new construction,
12 though there's some evidence of being able to
13 look at it also in the existing buildings, is to
14 look at things comprehensively, and rather than
15 seeing individual mechanical electrical systems
16 as separate components, to recognize the benefits
17 that come from integration. We'll talk a little
18 bit about that in a minute. So the programs are
19 flexible.

20 Experience is drawn from a lot of
21 different quarters. Fortunately, in the last 12
22 years we've had an opportunity to work at
23 colleges and universities and hospitals to refine
24 our approach; and the people that we rely on to

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1 give us good engineering not only in-house but
2 out of house are experts across these different
3 end uses.

4 A couple of, just quickly going through
5 some examples of some of our customers who have
6 worked through the programs with us. This is
7 CCRI that has actually accessed both our new
8 construction Design 2000 Plus and Energy
9 Initiative and looked at a great source of heat
10 pumps, chiller motors, other means of approaching
11 best practices, and they're getting energy
12 savings per year of over \$260,000 accumulatively.
13 A pretty aggressive number, showing that they've
14 been very active.

15 Another is Toray Plastics has been a
16 great customer to work with. They've been
17 involved since '92 and have also looked at their
18 operations in terms of what can be done. I'm
19 sure we can go through many, many of these;
20 because we have, as I said earlier, a significant
21 number of our business customers, in fact, our
22 statistics show that something like 50 percent of
23 our customers have participated in some capacity
24 in our programs.

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1 This is a slide of Fidelity Investments
2 that we have worked with closely with our design
3 team here as well looking at a comprehensive
4 design approach. What they did is this is an
5 indirect lighting system that sets targets of
6 very low power densities and creating a real nice
7 visual environment. They got involved in using
8 indirect lighting. They were one of the first
9 companies to explore the benefit coming from low
10 temperature air distribution; and you can see the
11 economics is attractive.

12 "What is value to our customers?"
13 Well, I said earlier we can certainly reduce
14 building energy up to 20 percent; and the
15 lifetime savings that comes from looking at
16 better practices and efficiency improvements far
17 exceeds the rebates. Paybacks can be as little
18 as five years without any incentive; and
19 certainly with an incentive in Energy Initiative
20 when you're bringing it down to two years, it
21 becomes a pretty compelling financial benefit.

22 "What other services?" I mentioned a
23 little earlier about comprehensiveness,
24 comprehensive design approach, sometimes called

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1 "integrated building design," sometimes called
2 "building design." What that is, our customers
3 that are building brand new buildings or doing
4 major renovations, it is taking the time to
5 explore the design side of how buildings get put
6 together. So we work with the owner's design
7 team, we bring our design team in, and set very
8 specific goals, energy performance goals for that
9 building, and then go through a very innovative
10 design process. And the primary tool to do that
11 is to do building modeling and then ask the
12 question, "Well, what would different alternative
13 selections have an impact on the building
14 program?" We're always defining things. And
15 what is the building program. And when our
16 customers come to build a building they obviously
17 have in mind a specific task that's being
18 conducted in that building. What are the
19 expectations of that performance, and, most
20 importantly, what is the budget and working
21 within that budget. And so the comprehensive
22 design allows that sort of an iterative design
23 process to get everybody comfortable, ultimately
24 to get to better performing buildings and to set

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1 some benchmark to get some better practices on a
2 building's use per square foot. And that's
3 really what we look for in the comprehensive
4 design approach.

5 The comprehensive chiller is similar,
6 is when a customer is looking at replacing a
7 chiller in an existing building, that's an
8 opportunity to look at the other ancillary
9 measures, that's an opportunity to look at the
10 inefficient lighting or other strategies or
11 driver power and bundle all of that together into
12 a plan. We also are able to offer financing
13 through Citicorp to be able to provide a
14 financing vehicle, whether it be leasing
15 arrangements or ultimately to be able to bring
16 things down to essentially a positive cash flow
17 in the event that a customer would rather use the
18 financing rather than their own capital to pay
19 the customer part of these projects.

20 We feel that it's important to be an
21 environmental steward, and so we offer both
22 ballast and lamp recycling so we can be sure that
23 things like PCBs or mercury content in lamps are
24 properly disposed of.

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1 And then in the buyers alliance it
2 helps on the procurement, because we set up
3 arrangements with a lighting buyer to get very
4 attractive pricing. And our account managers
5 will work with you in the event that you want to
6 be able to take advantage of the benefits from
7 that.

8 I'd like to take a very quick step
9 through the Comprehensive Design Approach, but
10 first give you some sense of what we are seeing,
11 what the trends are that are happening over the
12 last couple of years. And certainly our
13 customers are really beginning to ask the
14 question, "How can we get higher performing
15 buildings?" When we were here 12 years ago, it
16 was a case of the question really was, "Why
17 should I be interested in looking at improving
18 the operations of my buildings?" Now it's no
19 longer, "Why," it's, "How," "How do we access it?
20 How do we do it within the budget? How do we
21 meet the expectations of the building program and
22 all of the other constraints that go along with
23 it?" And that's a pretty dramatic move. Here
24 the building science technology, just as we've

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1 seen with the advent of computers, the technology
2 that's coming out of the building science is
3 pretty dramatic. We've seen the ability to have
4 energy management systems that can predict
5 essentially a smart building being able to
6 provide load response initiatives, being able to
7 adjust dialing down the different drag on energy
8 to manager and reduce the load, you know, 20
9 percent. And we're seeing in technology for
10 lighting, particularly with the integration of
11 day lighting, the ability to have dimming
12 capability. And some of that dimming capability
13 is for occupants in the building to address their
14 own lighting on their own computer screens to be
15 able to bring down lighting. So the building
16 science is making significant strides for us.

17 And productivity, as we see, the
18 buildings have certain benefits that come from
19 improving the energy use; but small incremental
20 benefits in the business activity that goes on in
21 that which revolves around productivity is
22 something that many of our customers are being
23 able to see.

24 And certainly I've talked about the

1 environmental issues. I talked about goal
2 setting. One of the things, Brown University is
3 a customer that do as a normal practice in any
4 kind of new construction or renovation, and some
5 of the prerequisites of what is looked at is
6 reducing the load is the most important part,
7 that if you look at the envelope, you look at
8 fenestration of the windows, the walls, and roof
9 frame. And if you can conform those and build
10 those through very high performance standards,
11 you can reduce the size of the electric systems,
12 and also set performance standards. So most
13 importantly we find that setting those goals very
14 early on in the design stage is important.

15 This is just an example. The MacMillan
16 Building, which is a wonderful science
17 undergraduate building where a lot of day
18 lighting was brought into interior spaces up
19 along these areas and in here and areas in here
20 are areas students come together to talk with a
21 lot of day lighting with benches. It's just
22 wonderful, very good financial record. They were
23 able to achieve \$232,000 of rebates. And you can
24 see that the value over 15 years was pretty

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1 significant.

2 Another quick example. This is
3 actually this is Narragansett Electric's Customer
4 Service center which started out as a 24 hour a
5 day, seven day a week operation, but it's similar
6 to a lot of sort of suburban two-story, hundred
7 thousand, 150,000 square foot buildings. In this
8 case it was adaptive, had been a Ratheon
9 microwave facility, it's now a customer service
10 center. A lot of it was the increase of day
11 lighting, top lighting. That is a curtain wall
12 that brings in a lot of light; and on this side
13 of the building is where all the customer service
14 people are. And for people who spend 90 percent
15 of their time, as many of us do, in a building,
16 being able to improve the visual environment and
17 being able to improve the thermal comfort and
18 also the acoustic comfort is a very important
19 part.

20 In terms of the initial strategies, we
21 initially looked at just trying to recognize how
22 to go beyond code, and here is a case of those
23 initial strategies, the over 600,000 kilowatt
24 hour saves 25 cents a square foot and roughly

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1 \$40,000 a year. We also found that going a
2 little more deeply and spending more time doing
3 that iterative process actually increased the
4 savings over time and also increased the benefit
5 that we found in getting a more comfortable
6 environment. And obviously the electric
7 operations went from 39 to 45,000. The point
8 here is that there is a number of places on the
9 continuum of design where people can be
10 comfortable with and decide where they want to be
11 in terms of a higher performing building.

12 So what do we recommend? Don't accept
13 minimum code design. Use best practices. Most
14 importantly, set benchmarks and targets for
15 performance of where you want to be. And then
16 keep an eye on the operation and maintenance
17 side, which is a very important part.

18 "What is gaining in practices?" This
19 is an office with a lot of day lighting. This is
20 an indirect lighting system with a low power
21 density down to one watt a square foot, and then
22 try to increase the visual comfort.

23 Day lighting in schools provide a
24 terrific opportunity of trying to create uniform

1 brightness. Now there's a recognition and a very
2 clear connection between the performance of
3 students and faculty. Being able to conduct
4 business in a visual, thermal comfort and
5 acoustic comfort has everything to do with that
6 business objective. "Plenty of room for
7 improvement."

8 "Comprehensive design approach: Best
9 treatment for optimized savings and design." As
10 I said, it's an interdisciplinary approach and
11 it's a way of ultimately being able to get very
12 significant financial performance. And that 25
13 cents a square foot is a very conservative
14 number. We have about 70 buildings in our
15 portfolio that have gone through comprehensive
16 design approach; and savings can be anywhere from
17 25 cents to 50 cents a square foot. And the cost
18 here, it looks at anywhere from 50 cents to \$3 a
19 square foot, but ultimately it really looks at
20 being able to bring most of our projects down to
21 about a two-year payback.

22 "Sustainable design." This is the
23 other area that we're seeing that I think going
24 out into the future where essentially we're

1 looking at expanding the lens of how buildings
2 are built, not just examining the energy equation
3 but also recognizing that waste is important,
4 water conservation is important, siting and
5 orientation of a building to get the best day
6 lighting and more comfortable environment is
7 important. These are coming off benchmarks that
8 people have come to know.

9 A good example is Save the Bay, where
10 Narragansett Electric's design team went in with
11 the Save the Bay design team ultimately to
12 reclaim the brownfield site. You can see a lot
13 of fenestration. There's third story windows up
14 there. It's a really wonderful environment, it's
15 in the early design stage. So that's more of
16 what we believe we're going to see much more of.

17 "Sustainable design" is very much the
18 same kind of benefits that we will see by just
19 looking at the energy side, there's operating
20 savings, enhancing value, optimizing the life
21 cycle, economic performance. On the softer side
22 we talk about improved productivity and reducing
23 liability, health, and safety. Very important.
24 And certainly through looking at sustainability

1 improves the quality of the environment and
2 increases personal satisfaction.

3 Well, you may be asking the question,
4 how does all this benefit customers. Stimulating
5 a healthy environment, lowering the impact on the
6 environment, setting the stage to capture the
7 benefit from higher performance of buildings, and
8 then essentially looking at the bottom line to
9 save energy, but looking at the top line, which
10 is the business that's being conducted and how
11 those enhancements toward better practices
12 benefit, ultimately helping customers to be more
13 competitive.

14 Okay, what I'd like to do now is
15 introduce Kevin Keena who is our manager of
16 technical services to talk about technical
17 assistance and the value and the importance of
18 developing an engineering plan and equally as
19 important the process of how to access
20 Narragansett Electric Design 2000 and Energy
21 Initiative.

22 MR. KEENA: Thank you, Michael. As
23 Michael mentioned, I want to cover some more on
24 the side of the implementation of the programs.

1 Michael's covered a lot of overview of the
2 benefits of the programs, you know, some of the
3 things we've seen over the years, what we've
4 known to deliver on them.

5 It's great having great programs, but
6 without the people to implement them and provide
7 service to the customers, they're not going to be
8 a success. And I think all the account
9 representatives and account managers really fill
10 that gap there and get the job done. We've got
11 12 account managers and five account
12 representatives. They're the real front line to
13 our programs. They'll deliver the programs to
14 the customers. We also have two full-time
15 technical representatives. The technical
16 representatives help manage our technical
17 assistance services for all the outside
18 consulting firms. They help identify energy
19 efficiency opportunities for our customers, and
20 they're also the ones responsible for reviewing
21 the projects on the company side of things up
22 front to gauge the cost effectiveness of the
23 projects and also to identify the incentives that
24 are available. They coordinate all the services

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1 or outside energy efficiency consultants.

2 The technical assistance services are
3 provided by many local and regional consulting
4 firms. We typically deal with anywhere from 20
5 to 30 different firms during the year depending
6 on the type of projects. Different firms have
7 different levels of expertise in different areas.
8 Pretty much all the firms specialize in some
9 aspect of energy savings analysis.

10 We have also worked with lot of
11 architectural energy firms locally here to help
12 them through our programs and deliver more
13 efficient products to their customers. The
14 services fill a range of needs. We have
15 consultants available as well as our technical
16 representatives that can do walk-throughs of a
17 facility that help identify the projects for you.
18 They can get some preliminary cost and savings
19 numbers to see what's worthwhile for you. We can
20 look at detailed energy savings and installation
21 cost estimates.

22 Once the preliminary opportunities are
23 identified, the consulting firms that we work
24 with can go, they can analyze the energy savings,

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1 the specific costs for your specific facility.
2 And once you decide to move ahead with a project,
3 they can also offer design assistance to get the
4 project completed.

5 We've got a budget of about \$400,000
6 each year for technical assistance services.
7 Typically we try and split the cost with
8 customers. This helps our budget go further to
9 bring these services to more customers, and also
10 helps insure the projects we do recommend are
11 more apt to go ahead with energy conservation
12 projects and gain energy conservation savings.

13 The areas of expertise we can bring to
14 the table, I won't go through these in detail
15 here, but they basically cover all aspects of the
16 facilities, from the building shell, HVAC
17 systems, into the process side of the systems.
18 We basically cover all areas there. Also we have
19 significant metering equipment and companies that
20 can actually measure some of your loads and some
21 of your existing consumption so you really know
22 whether the project's going to work rather than
23 making some estimates where they may be less, or
24 more risky I should say.

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1 The other aspect of our technical
2 assistance services, the technical assistance
3 services we just talked about is on the
4 commissioning side of things. These are
5 follow-up services that can help the project
6 obtain the savings that were projected. These
7 savings are geared more toward complex projects.
8 Design of plans, a lot of the savings are
9 control dependent. You can put in an efficient
10 chiller or processor, but if it's not operated
11 properly you're not going to accomplish your
12 savings.

13 The commissioning is really a team
14 effort. The commissioning agent will help
15 facilitate the process to make sure things are
16 going along. The commissioning process the
17 consultant works with the customers through
18 various aspects of implementation. There's a lot
19 of places where there can be pitfalls, where
20 something can be missed that will affect the
21 overall project in the end. So they're really
22 there to work through the whole design and
23 specification phase, through the installation,
24 through operational verification, and even

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1 through making sure that the maintenance staff is
2 trained on all the new equipment.

3 Now the benefits of commissioning are
4 to insure that the efficient equipment is
5 properly selected. We want to make sure that --
6 when the project's been preapproved, there's a
7 lot of assumptions made on the efficiency and the
8 operating strategies. We want to make sure that
9 when the designer gets it, they get the same
10 information, that he selects the right equipment,
11 that the bid documents have the right equipment
12 therein, and also with the submittals to make
13 sure the appropriate equipment is submitted and
14 approved.

15 On the installation side, again,
16 getting a good installation is key to making the
17 equipment operate efficiently in the long term.
18 On the set-up of equipment, they work through the
19 start-up procedures of testing and balancing,
20 again, making sure the equipment is set up to
21 operate as efficiently as it was intended, and
22 then that it meets all its efficiency ratings.
23 And, finally, probably most importantly on the
24 commissioning side of things is that they look at

1 the overall system side, the equipment, not just
2 has the chiller got the right rating, was it
3 charged and started up properly, but does the
4 chiller work with all the controls, all your air
5 handlers. It looks at the real operating
6 conditions. So the final part of the
7 commissioning typically is a lot of seeing how
8 it's operating after the fact, after it's
9 installed. And that may take a number of months
10 after a project's in there; but it helps maintain
11 kind of a quality control arm out there so that
12 the savings are there for both yourself and
13 ourselves that the projects are successful.

14 That basically covers our technical
15 assistance implementation side of things. I
16 think the take away on this is there's a lot of
17 resources there both internally and externally
18 that we can bring to efficient facilities. It
19 covers comprehensively all the facilities and
20 processes we've seen out there. And over the
21 last ten years when you look at the list of
22 projects that we've done, there probably isn't
23 much we haven't hit over the years that we can
24 identify some consultant or somebody that would

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1 have some expertise in the field that we're
2 looking at.

3 With that I'd like to turn it over to
4 Tom Coughlin, who's going to talk a little more
5 about some of the upcoming programs.

6 MR. COUGHLIN: My name is Tom Coughlin,
7 and I provide technical support to our programs
8 down here in Rhode Island. Am I talking too
9 loudly? Nobody's saying anything, so that's
10 good.

11 I'll talk first a little bit about some
12 of the changes in Narragansett Electric's
13 programs this year. Just a little background.
14 What we try to do is we try to keep our programs
15 very fresh. Things happen in the marketplace
16 over time. What happens is that what we're
17 trying to do is we're trying to give the
18 customers the benefit of adopting energy
19 efficient technology. That costs a little bit,
20 so our rebates would help bring those costs down
21 to something that would be more reasonable so you
22 as a customer would go ahead and maybe make some
23 of these improvements that have happened with
24 some of measures that were adopted over time.

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1 Codes change, practices change. Things we may
2 have given incentives on years ago are now
3 commonplace or required by code. What we're
4 trying to do is we're trying to always keep our
5 programs fresh, introduce new technologies that
6 take things up another level. Sometimes we may
7 be reducing incentives because, you know, we're
8 finding that we're creating a lot of volume in
9 the marketplace, and as a result we can reduce
10 the rebates that we can provide to you. In other
11 cases we get more market intelligence. That
12 means maybe we need to raise our rebates a little
13 bit. And, of course, again, adopting new
14 technology is always what we're trying to do, is
15 just making sure that we're hitting the cutting
16 edge and providing the best energy opportunity
17 for you.

18 So the first measures I'm going to go
19 through have to do with our lighting rebates.
20 The first one, tandem wire lamp ballast retrofit,
21 if you're a business owner and have existing
22 fixtures in good condition, we offer T-1 and T-8
23 lamps; and that's a very good option for many of
24 our customers to do that. It's cheap, it's easy

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1 to do, and it provides a lot of good benefit.
2 This year we're kind of moving that a little bit
3 more. There's some additional efficiency
4 opportunities if you take those two fixtures
5 together and have them share a ballast. So what
6 we're doing this year is for that same retrofit
7 option, if two fixtures share a ballast, we're
8 providing a little bit better incentive \$24 for
9 two fixtures that get retrofitted.

10 The second item, Super T-8 upgrade for
11 fluorescent, a Super T-8 is not a common
12 vernacular. We've seen a lot of T-8 lamps that
13 are becoming commonplace in industrial and office
14 workplaces recently. Over the last year or so
15 there's been a new generation of very efficient
16 T-8 lamps, and also some very sophisticated
17 ballasts that save an additional 12 percent of
18 energy but also provide the same light output.
19 So what we're doing this year is we're offering
20 an additional \$5 for eligible Super T-8
21 technology. If you go in and install something
22 that might be eligible for some of our product
23 rebates, we'll give you an additional \$5 on top
24 of that if you also include an eligible Super T-8

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1 technology upgrade to that.

2 The third one right here, since 1999
3 we've offered rebates for LED traffic signals.
4 LED traffic signals save 60 percent over their
5 incandescent counterparts. They're becoming more
6 commonplace, you'll see these all over Rhode
7 Island. Every year we've been adding to the menu
8 of LED traffic signals. Right now we're offering
9 an incentive for red LED bulbs. This year we're
10 providing incentives for flashing yellow traffic
11 signals in intersections that may not have a
12 three-way traffic signal.

13 Here are some other changes. Since
14 2000 we've seen a real surge of different types
15 of lighting opportunities for industrial
16 customers and also colleges, institutions,
17 gymnasiums. Everybody associates lighting in a
18 warehouse or gymnasium typically with high
19 intensive discharge lighting, mercury vapor type
20 lighting. We see a trend of people adopting high
21 intensive fluorescents. This is a very high
22 performance fluorescent fixture, saves a lot of
23 energy, provides better color. The fixture
24 itself is designed so that it will -- you can

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1 hang it very high in the ceiling, it will push a
2 lot of light out. What we've done this year is
3 we've actually increased the incentive under
4 Design 2000. This is if you're building a new
5 facility only. The plan on replacing a fixture,
6 as I recall, I think it's \$25 for a smaller high
7 intensity fluorescent, \$30 for a larger one.

8 This next one right here is where we
9 may have reduced an incentive a little bit based
10 on the fact where more product is on the market
11 and we're actually seeing prices go down. High
12 intensity fluorescents, if you have a warehouse
13 and you have an aisle with high intensity
14 fluorescents, it's a great opportunity to put
15 occupancy controls at the end of an aisle so if
16 there's a possibility that you can actually turn
17 off the lights when that aisle isn't in use.
18 We're seeing this as a very popular option. We
19 started offering an incentive for occupancy
20 control to put in the aisles. What we found,
21 there were very few products on the market.
22 Suddenly there's a real surge in products. Some
23 are very reasonably priced, so we've reduced the
24 incentive for those controls.

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1 Some other program changes: Last year
2 the Rhode Island building code was revised, the
3 energy portion; and in that code is a requirement
4 that now requires occupancy controls in many
5 types of spaces, like independent offices and
6 things like that. As a result, if you're
7 building a new building, you may no longer be
8 eligible for the occupancy control incentive.
9 These are things that turn lights on and off of
10 course when you walk in and out of an office.
11 That doesn't mean we've eliminated them
12 altogether; because if you're doing certain types
13 of renovations, you may be eligible for occupancy
14 control. What we do is when we go out and help
15 you identify what measures you might be eligible
16 for, we may ask the question, "Is this required
17 by code?"

18 Finally, for our Energy Initiative
19 Custom Projects, a lot of you go through this,
20 our Custom Projects under Energy Initiative we've
21 reduced the incentive from 50 percent to 45
22 percent. We don't think that's going to harm
23 anybody. We hope that that actually helps the
24 market.

1 We're going to talk about four
2 initiatives now that actually kind of work off
3 the association that we have with customers like
4 yourself. We typically find opportunities where
5 maybe the marketplace requires a little bit more
6 evidence; and what we hope to do is through this
7 education maybe promote different concepts,
8 different ways that you operate your facilities.

9 The first of these is the Narragansett
10 Electric Schools Initiative. And, by the way,
11 here in Rhode Island, just like a lot of other
12 places, here in Rhode Island there seems to be
13 unprecedented new school construction. Also, as
14 everybody knows, there's now -- everybody's sort
15 of in a budget crunch, so what we've done is
16 we've created a program that actually tries to
17 focus in directly on the people who build
18 schools. It could be a school's facility
19 committee, also the architects and engineers that
20 seem to specialize in schools.

21 How many school districts are
22 represented here today? Hold up your hand. You
23 know what I'm talking about when we talk about
24 the barriers when you're building a new school.

1 You're looking first at the cost. What we're
2 trying do is we're trying to overcome this next
3 barrier. There may be some energy efficient
4 technologies that may cost a little more but they
5 have other benefits, such as improved comfort,
6 better lighting.

7 In a school what we find is often times
8 architects and engineers have a certain way that
9 they look at things. I think they understand all
10 the concepts of energy efficiency and things like
11 that. They may not be comfortable in promoting
12 these things. What we have done is put together
13 these programs that kind of focus in on some of
14 these barriers to see if we can overcome them.

15 First and foremost we want to be in a
16 position for Design 2000 Plus to offer incentives
17 to make the buildings more energy efficient.
18 Also we try to target our technical assistance
19 services right at the market that serves schools.
20 This would be the architects and engineers. And
21 we think that working with the architects and
22 engineers that specialize in schools, we can get
23 them to tell the folks that are building, the
24 school building committees, municipalities that

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1 are building new schools, to transform those
2 practices to high performance.

3 These are the benefits that we provide.
4 Districts are provided with schools that are
5 better lit, with a better learning environment.
6 This is the key. It's not only putting in energy
7 efficient lighting, but it also increases the
8 quality of energy. This is something we're
9 trying to promote with our programs by working
10 with the architects and engineers. We hope we
11 can get people to understand these benefits,
12 articulate them to the school buildings
13 committees.

14 There's been studies done in
15 California recently that show that schools that
16 become better lit become a more productive
17 environment for students and better working
18 environment for teachers. We're trying to
19 promote that, again, through our school
20 initiative.

21 The next initiative is something that
22 kind of focuses in on the people managing the
23 facility that you all own. In fact, we have
24 people that have been through the Building

1 Operator Certification. In the back of the room
2 is Alan Bullock that works for an agency that
3 actually manages these for Narragansett Electric
4 and other utilities and state agencies in the
5 region. There's a lot of operating facilities
6 managers nowadays. It's not only looking at how
7 buildings function, but it is, are people
8 comfortable, is there enough light. There's a
9 lot on the plate of these people.

10 The Building Operator Certification is
11 actually a training curriculum that's aimed at
12 facilities engineers and the people that work to
13 make sure that they're targeting energy
14 efficiency. As a matter of fact, I was talking
15 to Jeff here. He thought it was great. So the
16 training is competency-based training, and, as I
17 said, designed to improve energy efficiency.

18 The operators earn certification by
19 attending training sessions, which I'll get into
20 in a little while. And the whole goal of this
21 program is, what we hope is that if this really
22 sticks in the marketplace where you go out and
23 hire somebody to work in a building that's a
24 facilities type person this will be a recognized

1 type curriculum. If you try to recruit people,
2 you're trying to say this BOC certification is
3 desired or required pretty much.

4 Who is it for? Basically the
5 certification covers a five-month period. There
6 are seven sessions over a five-month period.
7 What that entails is a facility person would be
8 taken out of the facility, attend a seminar here
9 in Rhode Island or someplace really close to
10 Rhode Island. There's a test, and also there's a
11 take-home assignment. Then when they go through
12 the program they actually have some hands-on
13 things that they have to do back at their
14 facility that is part of this. It's just a basic
15 course description. I won't go into it in a lot
16 of detail here. But many of these things are
17 related of course to energy, energy efficiency,
18 and a lot has to do with comfort in a building
19 too. Since 1999 we've offered quite a few
20 sessions, and quite a few people from Rhode
21 Island have attended these sessions. And I think
22 that they've been well-received. This year we're
23 going to be offering some sessions that actually
24 are an upper level session that's going to go

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1 into a lot more detail, how you take a lot of
2 practices you've learned in the certification and
3 more how you adopt them in your day-to-day
4 business practices, also how maybe you could
5 better sell these to the people who make
6 financial decisions in the company. Did I get
7 that pretty much right, Alan?

8 MR. BULLOCK: You got it right.

9 MR. KEENA: The third initiative is
10 something we've been doing since 1997 actually is
11 when we first started to work on it. It's called
12 the "Compressed Air Challenge." Many of you who
13 manage manufacturing facilities have very
14 sophisticated compressed air systems. This is
15 actually considered the fourth utility in a
16 building. It's one that's probably the most
17 forgotten. The other three utilities would be
18 the electricity; fossil fuel, either gas or oil;
19 water; and compressed air is a real energy
20 consumer. Often times it's overlooked. So back
21 in 1997 being a group interested party, including
22 Narragansett Electric's affiliates, what they
23 came up with were some training curricula that
24 we've been, actually been providing since 1999 to

1 the customers here in Rhode Island who have
2 compressed air systems. The training, by the
3 way, is where we bring in experts, nationally
4 renowned experts to address, it's a one-day
5 seminar, to address some of the things that
6 people can do in their facilities to address
7 leaks, optimize system size, take a look at the
8 end uses, optimize them.

9 How many people have been through
10 Compressed Air Challenge training here? There's
11 been a few people here. Probably some of the
12 people if you're industrial customers, probably
13 there are some people in your facilities who may
14 have done it.

15 Since 1999 we've offered Level I
16 compressed air training. It's a one-day seminar.
17 It's designed to teach people who actually
18 maintain compressed air systems on how to obtain
19 energy savings, to look at the end uses, the
20 controls on air compressors, things like that.
21 We figure that -- we estimate that they can save
22 15 to 25 percent just by implementing some of
23 these things that they may learn through the
24 seminar back at their facilities. Last year we

1 have started actually a Level II training. And
2 basically it takes the very principle that we
3 learned in Level I and actually takes it one
4 level higher. People are taught how to develop a
5 business plan to maintain their compressed air
6 systems, also how they can address this with
7 upper level management if they have to make a
8 capital improvement in a compressed air system,
9 how do you talk to the CSO of the company.

10 Again, facilities managers have a lot
11 on their plate. By helping them understand how
12 they can do that, we think that we're going to
13 achieve savings here; and as a result of that
14 that's very good for business here in Rhode
15 Island.

16 The fourth initiative I'd like to talk
17 about is one we've been providing since 1998.
18 It's called "Project Expediter." In your
19 facilities you have a small opportunity for
20 retrofits. You may not necessarily recognize
21 them right off; and, of course, you don't have
22 the capability of an electrician at the drop of a
23 dime to go in and implement these things. For
24 smaller jobs under \$25,000 what we've done is

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1 we've prequalified a number of vendors that we
2 can send out to your facility. This vendor will
3 do an audit, determine what lighting
4 opportunities might be good for you, for your
5 best interest. And then once we execute an
6 agreement, that would be the Narragansett
7 Electric rebate application, they can actually
8 bring in the electrician to get the job done.
9 It's truly a turnkey service. It's been very
10 popular; and many of you may have participated in
11 this. We find it's just the best way to handle a
12 lot of these jobs that, you know, you may not
13 otherwise focus in on.

14 What I'd like to do is bring Michael
15 McAteer up here to close and put all of what you
16 heard back here together.

17 MR. McATEER: Yes, we want to get to
18 the questions and answers. The first thing we
19 want you to do is work closely with your account
20 managers to build a plan. The other thing, if
21 it's a larger project, a lot more substance, we
22 can assign a technical liaison to help you and
23 your design team to affect change as well. And I
24 guess, I think we hit this a few times, but

1 ultimately we think that reducing energy costs is
2 good business practice. We think we have the
3 vehicles available, the skills and assistance to
4 achieve that. We welcome working with you in
5 developing these plans. And you have an
6 opportunity to take advantage of different
7 services, the different trainings that are
8 available to recognize that all of this comes
9 around fashioning better practices as it relates
10 to design, as it relates to construction, and as
11 it relates to operations.

12 So with that I'd like to introduce
13 Jeremy Newberger who's going walk us through some
14 of this and invite people to give us feedback or
15 who may have some questions.

16 MR. NEWBERGER: I'm Jeremy Newberger.
17 And I want to thank you all for coming; because
18 without you this would not be a successful
19 meeting.

20 Now is the time we open up the meeting
21 to comments and questions. I want to thank
22 Michael and Kevin; and we'd like you to talk
23 about the things you've heard, your experiences
24 with the programs, any ideas you have about ways

1 we can improve the programs. You can come
2 forward. When you talk, please identify yourself
3 by name for the record. As Kevin noted, we have
4 a stenographer here to record the session for the
5 Rhode Island PUC, who, like us, are very
6 interested in hearing what you have to say.

7 Finally, you all received this blue
8 feedback form on your tables. Please take a
9 moment to fill it out and leave it on the table
10 as you go. Now let's start with you.

11 MR. MENARD: Just one additional point
12 relative to questions and answers. Ask any
13 question, you know, you feel is necessary. If
14 there's anything you want information on, what
15 we'll try and do is we'll try and answer it in
16 somewhat of a generic way so that the answer will
17 apply to everyone. However, if your answer is
18 somewhat specific to you and your operation, we
19 will have time later on, we can go one on one.
20 We'll answer a question somewhat generically, but
21 if you want follow-up specifically on your
22 installation, we'll have time to do that.

23 MR. BROWN: Good morning. David Brown
24 from A&H Manufacturing in Johnston. We're an

1 industrial end user, all types of general
2 manufacturing. Last year we were approached,
3 actually almost a full year ago, by a vendor
4 which offers a capacitor system in order to save,
5 quote unquote, "significant sums of electricity"
6 for certain parts of our manufacturing process.
7 They came in and looked at our bill, looked at
8 our system, put together a rather comprehensive
9 package how they felt we could save power. And
10 now there was an up-front cost that was rather
11 substantial. I have no way to evaluate the
12 proposal done, anyone to tell me "this is blue
13 smoke" or whatever, or is it real savings. They
14 had documentation from the State of New York,
15 Connecticut, and other testimonials attesting to
16 the validity of this application. I presented
17 this to Narragansett Electric. I was unable to
18 get anything in writing or any comfort level that
19 they would support this. They would not confirm
20 or deny it works other than saying, "Yes, there
21 are people who are using that successfully." To
22 me, I refused to go up to upper management
23 because based on what -- does the electric
24 company support it, do they provide rebates, I

1 wasn't even asking for rebates, I was asking in a
2 technical sense on the overall project to see, is
3 this a viable opportunity for me.

4 I was rather disappointed that no one
5 would step up to the plate. But you're in a far
6 better position to say "this is blue smoke" or
7 "this is viable." And if this is viable, is
8 there a rebate, but if there wasn't, just to say
9 this is a good idea or a bad idea.

10 MR. KEENA: Basically right now we
11 don't offer rebates for those technologies. We
12 do agree that there are potential for energy
13 savings. The way our programs are kind of geared
14 is more towards looking at products like a
15 chiller where there's a specific rating of a
16 standard versus higher efficiency or a better way
17 of operating.

18 The technology with capacitors and
19 power quality savings, the savings vary so
20 significantly we found it very tough to identify
21 those savings and be able to claim them in the
22 system, which is why, you know, we typically try
23 and stay away, again, because the savings vary so
24 much, we don't want to be in the position of

1 saying, "Yes, it's going to work in your
2 particular facility," and then have you not
3 realized any savings for that particular project.
4 So, again, the variation in savings is so
5 dependent on the power quality in your facility
6 and things that are going on, and it's just
7 outside of our expertise when it gets into some
8 of those things that -- so it's a technology that
9 we really haven't brought into the programs for a
10 number of reasons.

11 MR. BROWN: Do you acknowledge there
12 are savings present under certain applications?

13 MR. MENARD: Yes. Yeah, there are
14 some. I mean, our understanding -- my
15 understanding of those particular technologies is
16 it's primarily capacitors and filters, and we
17 don't rebate on power factor correction.

18 MR. BROWN: I fully understand that.
19 That was the second part. I was not looking and
20 I'm still not looking for a rebate. It's more of
21 a matter of you stepping in and saying, "Hey, in
22 air compressors running at 90 percent efficiency
23 or better given your current power factor
24 condition this is a viable alternative." In

1 perhaps small applications you might have seen in
2 a chiller where they've worked or they have
3 negative influences on motor life. It was more
4 technical information, and someone, an outside
5 vendor trying to sell me a product, to be able to
6 say, we can look at certain applications and tell
7 you there's a potential for savings of this range
8 to this range with no guarantee presented to you.
9 The vendor offered to the extent if they didn't
10 reduce our electrical bill by a certain
11 percentage he would rebate us a year later the
12 difference. It's more technical than money.

13 MR. MENARD: I understand where you're
14 coming from. I guess based on Kevin's
15 explanation, I think to date we haven't spent a
16 lot of time studying those technologies because
17 they're primarily related to correction. And,
18 you know, the savings you get from that would be
19 more similar to correcting the power factor. So
20 today we haven't spent time on that. I
21 understand where you're coming from, looking to
22 us maybe for some guidance. That's something we
23 can take back and see if there's something we can
24 do around that area. I think there may be some

1 publications available that we may be able to
2 supply to you and to customers that request that
3 that type of information that might be able to
4 cover that type of information. So there may be
5 something we can do for you there.

6 MR. TURNER: Hi, I'm Steven Turner from
7 Brown University. Thanks, Mr. Menard and Mr.
8 McAteer and the others for the informative
9 session this morning. I have a few questions, so
10 maybe I'll just give you chance to respond one at
11 a time.

12 The first thing you mentioned, an
13 aggregate greenhouse gas avoidance that you
14 attribute to demand-side management programs. In
15 our own internal efforts at Brown to demonstrate
16 the impact of our demand-side management work
17 with you, it would be very useful if we could
18 have an estimate of greenhouse gas broken out by
19 CO2, NOX, SO2 per year going back to 1990 or '92
20 if '90 is not possible simply because it helps us
21 show we have a pool of avoided consumption that
22 we're attributing to the demand-side management
23 effort. It then allows us to better assign an
24 environmental contribution on those and helps us

1 make arguments outside of the technical and the
2 financial community in our University and make a
3 broader appeal for participation and support of
4 further effort. This is something I'm happy to
5 take up with our account manager. I just want to
6 see here the annual system sort of estimated
7 greenhouse gas per MWH are very useful. Is it
8 the right thing to follow up with our account
9 manager on that?

10 MR. McATEER: I can take that. That's
11 a great question. I think we're going to see
12 more and more of that; and we can do that as part
13 of our technical studies when we define a scope
14 of work, whether we do it internally if it's of
15 interest to look at environmental benefits, we
16 can provide that.

17 MR. TURNER: Of course we'd like to do
18 that not just in the context of new projects, but
19 I'd like to look back.

20 The second question has to do with the
21 demand-side management fund which is collected
22 from all of the customer base here in Rhode
23 Island; and if you look at large C&I, your
24 medium, small commercial customers, your

1 residential, I'm curious, just to focus on the
2 subject of this gathering and the large C&I, the
3 rebate or DSM funding that you collect, is that
4 all returned to the large C&I sector, or is there
5 more money collected in the large C&I sector than
6 is returned to it through rebates?

7 MR. MENARD: Well, the same amount of
8 money is collected from all customers, large C&I,
9 small and also residential. If I'm not mistaken,
10 the largest pool of users is the large C&I
11 customers. And I think Michael made a comment
12 earlier that said 50 percent of those customers
13 are either heavily or somewhat involved in the
14 programs. So that the lion's share of the money
15 is going to that group. You saw some of the
16 calculations of what certain customers got over
17 the course of the years; and you see some of it's
18 fairly significant. That was probably fairly
19 long ago; but I think that the main share of that
20 money is going into the large
21 commercial/industrial customers because they are
22 the ones who are the most active.

23 MR. TURNER: Thank you. I guess I'd be
24 curious at some future time if it were possible

1 to get the numbers from, say, the last program
2 year, that "X" amount of dollars was collected
3 from large C&I, "Y" amount of dollars was
4 returned through the DSM program to that same
5 segment.

6 MS. WHITE: Let me just add to Kevin's
7 response. I'm Carol White. One of the issues
8 that the Rhode Island Public Utilities Commission
9 is very concerned with is equity of services for
10 customers. And so when we develop our program
11 budgets and our plans and we look at resources
12 that we'd like to make available for large
13 businesses versus small businesses and
14 residential customers, the Commission has us look
15 at whether we are providing an equitable amount
16 of service to each of those groups. And so while
17 I can't tell you that dollar for dollar every
18 dollar we collect from a large business customer
19 goes to a large business customer or a small
20 business customer or a residential customer,
21 generally it is close. So that the amount of
22 resources that are made available to particular
23 customer sectors pretty closely follows the
24 amount of money that they contribute for these

1 programs.

2 MR. TURNER: Thank you, Carol. And
3 that suggests there's a filing in a PUC docket
4 somewhere with your annual numbers?

5 MS. WHITE: Yes.

6 MR. TURNER: Separate from the DSM
7 program, so this is a little off topic I think.
8 In may lie in some of the larger distribution
9 issues and transmission issues in the area with
10 the FERC RFP on the table and ISO New England
11 looking at regional initiatives and local pricing
12 in the offing. You hear a lot of talk of Rhode
13 Island as a load pocket. Well, it seems to me
14 it's more of a generation pocket. And I'm
15 wondering if there's a coincident of interest
16 with National Grid perhaps at the parent company
17 level for large C&I customers to help Rhode
18 Island PUC incenticize investment in transmission
19 so we can enjoy some benefit of selling some
20 available generation capacity in the region out
21 of region instead of just people being cut off
22 from the possible benefits of local pricing. And
23 I don't know if the large customers are in a
24 position to help you with it before the Rhode

1 Island PUC to look at this issue and help
2 encourage a better flow of load in and out of the
3 region. The large C&I customers are motivated to
4 help get the best power, price, etcetera.

5 MR. MENARD: That's actually a very
6 complex issue, complex question, something that
7 probably I'm not really qualified to address.
8 But a couple of the issues is that New England --
9 saying where Rhode Island is a load pocket or a
10 generation pocket, New England operates in
11 essence National Grid, obviously, you have areas
12 of concentration like the Boston market where you
13 have consumption, things like that; but, for
14 example, the power that is consumed in Rhode
15 Island does not all come from Rhode Island,
16 obviously it comes from all around New England.
17 So -- and generation in Rhode Island that is
18 selling their power, you know, to Massachusetts
19 or Connecticut or somewhere, understanding your
20 question, I don't think we are prepared to deal
21 with that now. It is obviously on the table.
22 Luckily your question has been recorded, and we
23 will have different levels of staff and
24 management looking at those questions. So it is

1 recorded, and we'll see if there's something
2 there. You know, it's a benefit for the company
3 to enlist the support of large customers, and
4 we'll look at that.

5 MR. TURNER: Thank you very much. One
6 last question. Obviously the stability of DSM
7 has some benefit on large institutions like
8 Brown. We're not just getting in line for
9 rebates for this calendar year, but many future
10 years as well. As we look ahead, I was wondering
11 if you could comment on the prognosis of the
12 program. And before I finally retire if you
13 could also comment on the pricing side of
14 Standard Offer under the Utility Restructuring
15 Act is I think set up for '08 or '09, looking
16 forward what's going to be happening with DSM,
17 what's going to be happening with pricing as we
18 move away from Standard Offer in the future?
19 Thanks for your patience.

20 MR. MENARD: As many of you I think
21 know, I think it was maybe a year or two ago the
22 DSM programs were scheduled, via legislation were
23 set to end. And we solicited a lot of support
24 from all our customers, and especially the large

1 C&I, customers to contact the Legislature and try
2 and keep those programs going. And at that
3 particular time they were extended five years.
4 Subsequent to that, I believe it was during last
5 year's session, the programs were extended
6 another five years. So right now the DSM
7 programs are scheduled to be in existence through
8 2012. So that gives you that opportunity for
9 long range planning. And that we felt was a
10 great, you know, a great ruling on the part of
11 the Legislature; because the programs are so
12 effective.

13 Relative to Standard Offer, Standard
14 Offer is good through I believe 2009, the
15 Standard Offer program. Standard Offer is
16 scheduled to expire in Massachusetts in 2004 I
17 believe, the end of 2004, through 2004. So
18 what's going to happen is there's going to --
19 Massachusetts is going to hit the wall on
20 Standard Offer and they're going to have to
21 determine or figure out what is next. Obviously
22 it's, you know, it's well recognized that the
23 retail market has not developed as everyone had
24 hoped. So what is the next step? Massachusetts

1 is feverishly working on that.

2 I think the opportunity Rhode Island
3 has is to watch them for a few years and maybe to
4 pull out best practices. That's what we intend
5 to do; because we're going through 2009, so we do
6 have some time to see what happens in
7 Massachusetts and as a result maybe learn and
8 benefit from their experience. I guess that's
9 the best answer I can provide you there.

10 MR. TURNER: Thank you.

11 MR. JONES: Michael Jones, also from
12 Brown University.

13 I have a couple of quick questions,
14 they may have been asked while I was in the mens
15 room, to do with two of the programs you offer
16 other customers. One is the design team that
17 works with customers to maximize energy
18 efficiency, and the rebate program. Is there a
19 customer charge for that?

20 MR. McATEER: Good question. The way
21 that we set up the program is that, and Kevin
22 really spoke to it in terms of technical
23 assistance, is that we're generally looking for
24 in developing projects with customers where we,

1 Narragansett Electric, pays 50 percent of the
2 technical assistance study and our customers pay
3 50 percent.

4 MR. JONES: The next one is
5 commissioning. When you help with commissioning
6 energy efficient systems, you come to Brown
7 University, help commission a new building, a new
8 design, and work with the commissioning team that
9 we have hired. And is there a customer charge
10 for that also?

11 MR. KEENA: It has got to be a project
12 we're involved with from the get go as far as
13 energy savings. Our commissioning program
14 evolved around commissioning the equipment that
15 we've given incentives on. We've got some
16 educational material on commissioning. And this
17 really is a great benefit to the customers. But
18 our commissioning costs are really limited to the
19 equipment that goes in. So if you're doing a new
20 building and we're involved in the chiller plan
21 and energy management system, we could contribute
22 some commissioning funds towards the chiller and
23 EMS, but not towards the commissioning on the
24 rest of the building.

1 MR. JONES: Of course not the whole
2 building.

3 MR. KEENA: Right.

4 MR. JONES: So it would be the system
5 that you helped us pick, is there a cost?

6 MR. KEENA: Currently there's no copay
7 on that. That's something we're looking to do in
8 the future. Again, to, you know, try and get our
9 funds spread around to as many customers as
10 possible, but currently right now we pick up
11 those costs. One of the reasons, on the larger
12 projects really if we're giving a project a
13 hundred thousand dollars or over, it's a big
14 percentage of our incentive and rebates that go
15 out the door. And we really want to have
16 commissioning in place.

17 MR. JONES: Earlier you stated there's
18 a commissioning document for builders themselves?

19 MR. KEENA: We've got some materials we
20 can provide for you on the commissioning.

21 MR. JONES: Is that on the web site,
22 the commissioning?

23 MR. KEENA: There's some on the web
24 site.

1 MR. RYKER: John Ryker from Naval
2 Station Newport. One of the things I've been on
3 several seminars on is distributing energy
4 resources. I have a question about cogen small
5 applications. What is Narragansett's stand on
6 supporting those, on rebates for technical
7 assistance programs?

8 MR. MENARD: Customer generation, be it
9 large or small, the cogeneration effort is not
10 supported by the rebate programs. And we will
11 work with a customer who is planning on
12 installing some kind of self generation from a
13 technical perspective; because you have all the
14 issues surrounding connection. But there is not.
15 And actually the studies that we're required to
16 do for that type of installation specific to a
17 customer, the studies are at actually the
18 customer's cost for us to work with them on that.
19 Aside from that, there are no incentives for
20 customers to reduce load through self generation.

21 MR. O'MEARA: My name John O'Meara.
22 The company is Metallurgical Solutions in
23 Providence. My question doesn't have to do with
24 this DSM, but I have a question regarding the

1 types of generators that we're using today.
2 Let's take, for example, a little plant that came
3 up in Burrillville. I know they use gas as their
4 fuel; but my question is, are they using that gas
5 to generate steam and turn a steam generator like
6 we use to do years ago; or are they using it as a
7 turbine engine like a jet plane?

8 MR. MENARD: I believe you're talking
9 about Ocean State Power.

10 MR. O'MEARA: I think it's TransCanada.

11 MR. MENARD: Yeah. On top of being a
12 little plant, it's actually 500 megawatts, it's a
13 combined cycle generator. And I'm pretty certain
14 it's a turbine plant. As you indicated, it is
15 owned by TransCanada, as are all plants in New
16 England now for the most part are owned by
17 private generating companies. But, no, I believe
18 that is a turbine plant, two or 250.

19 MR. O'MEARA: Gas turbine or steam
20 turbine?

21 MR. MENARD: It's a combined cycle. So
22 it's going to be both, it's going to be a bit of
23 both.

24 MR. O'MEARA: The reason I ask the

1 question is that when they came up with
2 deregulation, they eliminated off peak and
3 shoulder peak. Years ago they use to give us an
4 off peak and a shoulder rate because they
5 couldn't afford to turn the generators down at
6 night, they were generating power, they had to
7 get rid of it somewhere, they can't store it.
8 Can we look forward to that again?

9 MR. MENARD: I believe in the
10 deregulation legislation it requires us to
11 provide the energy at a flat per kilowatt hour
12 rate. Large customers, and, again, this is
13 theoretical because the retail market is not
14 there, but as the retail market develops, large
15 customers should be able to negotiate any type of
16 a rate with the supplier based on how the
17 supplier perceives your load. Depending on that
18 -- really what it would come down to and what you
19 reap on peak and off peak rates really comes down
20 to your negotiations with a particular supplier.
21 If you were going out with an RFP for energy, you
22 may design your RFP in that manner, saying, this
23 is what we're going to require, and wait to see.

24 MR. O'MEARA: That's another

1 unsatisfactory answer. I've asked so many people
2 at Narragansett for an explanation of this off
3 peak, and I keep getting the same thing you just
4 gave me.

5 MR. MENARD: We don't control the
6 generation. We're supplying Standard Offer.

7 MR. O'MEARA: Could you tell me how ten
8 years ago they could give me an off-peak rate for
9 50 percent of what I paid on the peak rate?

10 MR. MENARD: I understand. But we
11 don't have control over the price. The
12 legislation requires us to provide power on a
13 flat per kilowatt hour basis. And we hoped as
14 well as all of you hoped that this retail market
15 would take off with the idea that the retail
16 market would take off and these types of
17 questions and these transactions would all be
18 handled by the market.

19 UNIDENTIFIED VOICE: So basically it
20 was the Legislature and the PUC that are
21 dictating that you do this?

22 MR. MENARD: It's the way the
23 legislation was drafted, yes.

24 MR. O'MEARA: That's kind of what I

1 thought. Thank you.

2 MS. WHITE: Does anybody else have any
3 questions?

4 MR. CERIO: My name is Bob Cerio, and
5 I'm the energy manager of the Warwick Public
6 School Department. And, first of all, I'd like
7 to address a couple of comments that the
8 gentleman from Brown, No. 1, raised regarding
9 emissions reduction. With the reduction of
10 electrical consumption, EPA offers a very
11 valuable calculation where you can take the
12 amount of kWh that you've saved and you can
13 convert that over into the number of cars taken
14 off of the highways or the number of trees
15 planted. And it seems to have a very good
16 impact. I do presentations to our School
17 Committee quite often; and that seems to be the
18 thing that they can really put their hands
19 around. So the EPA web site is a good source to
20 get that calculation to do the conversion.

21 Regarding your DSM rates, we currently
22 all pay the same amount of money into the DSM
23 program. So if you look at your total number of
24 kilowatt hours used in the course of a year and

1 then multiply the DSM contribution, you can
2 figure out how much you have paid in and compare
3 that to the demand.

4 In the case of the Warwick School
5 Department we paid I think 70 or \$80,000 and
6 received over \$170,000 of grants in return. So
7 that's an accounting process you can pretty much
8 do yourself off your own utility bills and keep
9 track of your consumption.

10 And, lastly, ISO New England just
11 recently did a system -- regarding the System
12 Management Design Program, and they actually
13 determined that Rhode Island is actually
14 producing more electricity as a result of the DSM
15 program. We've really cut back on our demand and
16 we do have excess electricity that's going to be
17 able to be sold on the open market, and it all is
18 attributed to their congestion management fee.
19 And they are looking at Rhode Island as it were
20 not going to have an increase or we would not see
21 a congestion management fee as a result. Those
22 questions were kind of geared toward the
23 questions the gentleman from Brown University
24 had.

1 My questions are building code and
2 enforcement. I have had personal experience
3 building my own home and personal experience
4 building new construction at the Warwick School
5 Department. And I think a lot more needs to be
6 done, a lot more emphasis and pressure has to be
7 put on the code and enforcement agencies. They
8 seem like they've done a very good job with
9 electricity and being able to look at those
10 things and see whether they meet the
11 requirements. But when it comes to other
12 utilities such as water or gas or oil, they don't
13 have a clue, the people who are out there
14 enforcing those. I built an energy efficient
15 home, and there was nothing in the codes that
16 required the construction of this energy envelope
17 installation or anything that addressed heating
18 systems. So I think possibly the role that
19 Narragansett or National Grid plays with their
20 DSM programs would possibly be of benefit to help
21 design those codes outside of the areas of
22 electricity; and it is something I would like to
23 see happen.

24 And, lastly, do you have any firm

1 numbers on the increase of productivity or the
2 increase of a child's ability to learn with the
3 lighting improvements that you see? I know you
4 kind of alluded to, one of you gentlemen alluded
5 to some of the things done in the past I think on
6 the west coast. That's something I'd like to see
7 some hard numbers.

8 MR. KEENA: That study is available.
9 It was conducted by a firm out in California.
10 The State of California retained them to do a
11 study. They went beyond the borders of
12 California. A lot of the things the California
13 ratepayers have paid for; but it's a good thing.
14 That study I do have, and maybe through Pat I can
15 get that study to you. It's -- as a matter of
16 fact, if you're a school district or even a
17 university, if you'd like to see a copy of the
18 study, I'll make sure it gets to you.

19 MR. CERIO: Thank you. I'd like to see
20 that. Thank all of you. The DSM program has
21 been wonderful to us. We've really taken
22 advantage of it. I think you people have done a
23 wonderful job. I'm looking forward to working
24 with Janice McClanaghan and her people in support

1 of the DSM program.

2 MS. WHITE: Anybody else?

3 MR. D'ERCOLE: My name is Phillip
4 D'Ercole. I am the service manager of Perkin
5 Elmer in Warwick, Rhode Island. To give you a
6 little background, the last five years we reduced
7 our electrical consumption by about three to five
8 percent each year taking advantage of many of the
9 incentives and also conservation within our
10 facility.

11 The question I have, earlier the
12 comment was made that we're going to wait and see
13 as far as the Standard Offer being expired in
14 Massachusetts as to where we're going to go in
15 the future or where you're going to go in the
16 future. We've reduced our bill three to five
17 percent each year for the past five years and
18 paid more for electricity. And I don't see that
19 ending no matter how much you reduce, the price
20 just keeps going up.

21 Do you have any programs in place or do
22 you have any visions for the future as far as
23 what impact you're going to have on setting
24 prices or the deregulation working, anything that

1 you have going right now? Or do you plan for the
2 future as far as any programs, any legislation,
3 anything that -- as opposed to just sitting and
4 wait and see what Massachusetts does? Thank you.

5 MR. MENARD: Well, I think I understand
6 where you're coming from there. Obviously, in
7 Rhode Island, you know, there is a little bit
8 more time since we go to 2009; but the company,
9 National Grid, through our sister company in
10 Massachusetts, Massachusetts Electric Company, is
11 very active in trying to create a program to
12 address that issue. Because, like I said,
13 they're going to face it sooner than we are. So
14 they are actively working on what is the next
15 step, what is the next Standard Offer, and how
16 will that look. They're actively working on that
17 with the other utilities in Massachusetts and
18 also the Massachusetts Department of
19 Telecommunications and Energy, which is their
20 PUC. And so that they are -- yeah, the company
21 is very active in that. We are working on it;
22 and, like I said, we will in Rhode Island learn
23 from that experience and draw out the best
24 practice and hopefully the best results. So,

1 yes, the company is very active and very
2 concerned about what happened.

3 Our concerns, you know, one of the
4 overlying philosophies of DSM, if you remember
5 back ten, 12 years ago when this all first
6 started, customers were very skeptical, said,
7 "Gee, why are you paying us to reduce our
8 consumption?" Well, it's a cycle. You reduce
9 your consumption, it's a cycle, hopefully you
10 have it in your process, hire more people, use
11 more power, you're using it more efficiently.
12 It's part of the economic cycle. You're becoming
13 more efficient, you're becoming more productive.

14 Similarly with the Standard Offer
15 issue, we're very concerned with how it's going
16 to impact our customers. We want our customers
17 to stay here in New England for many reasons.
18 So, yes, we are active now and we will continue
19 to be active in creating that solution.

20 MR. VICKERS: John Vickers, Rhode
21 Island College engineer. I do not have a
22 question; but I would like to compliment Dave
23 Leary and his people and also Dave Larson for all
24 of the energy conservation technical assistance

1 they've been giving to Rhode Island College and
2 also the specialized energy consumption reports
3 we receive monthly. They've done a good job.
4 Thank you.

5 MR. RYKER: John Ryker again from Naval
6 Station Newport. On the chiller program they
7 have, is there any limit on what you do as
8 opposed to a gas company or some other agency
9 that we would possibly go through?

10 UNIDENTIFIED VOICE: Our programs will
11 address what we do on the electrical side.
12 Beyond that, there would be no limit in terms of
13 our technical assistance to develop the best
14 possible option for you in terms of chiller
15 improvements, or to go one step further perhaps
16 to look at all other measures that might be able
17 to reduce the loads of those chillers. So if you
18 were to upgrade a chiller, you might quite
19 possibly be able to put in a smaller chiller or
20 change some things to reduce your capital
21 investment as well.

22 MR. MENARD: Anything else? It's about
23 quarter of ten --

24 MR. MCGINNES: My name is Arthur

1 McGinnes of Fortune Metals. Going back to the
2 power factor and Standard Offer, I've looked into
3 alternative companies for electricity and they
4 all tell me my power factor is not a good option
5 for converting to their services. And I've been
6 addressing this with Narragansett for several
7 years now at these meetings; and it doesn't seem
8 you want to get us off Narragansett's Standard
9 Offer, but yet you don't want to give us the
10 ability to make the changes to make it
11 advantageous for other people to bid on our
12 services.

13 MR. MENARD: I don't know what your
14 power factor is; but Narragansett's rates are
15 structured such that customers have the incentive
16 to improve their power factor up to 80 percent.
17 Now that's still a fairly low power factor; but
18 that's the result of the tariffs. If -- and
19 many customers have designed their loads well
20 beyond that. Obviously, more ideally, 95 percent
21 is where you probably want to be. So if your
22 power factor's below 90 percent, you have some
23 incentive in the rate to reduce your bill to
24 improve your power factor to the 80 percent

1 level. If you through the strategic placement of
2 capacitors in your plant, be that a large single
3 load, especially large load that might be
4 intermittent, then you can actually through, you
5 know, there's a number of descent consultants out
6 there that can do this type of work, you can
7 actually calculate further savings which would
8 help you do the cost benefit analysis and then
9 sell that to management. But power factor
10 capacitors are not handled as an energy savings
11 item even though there's some energy savings.
12 It's just not part of the program. It's actually
13 handled through the tariffs. Maybe if you want
14 to grab your account manager, you can probably
15 have a little bit more detailed discussion about
16 that.

17 Any other questions? Seeing none, what
18 I'll do now is I'll ask the account managers to
19 get up in the back along the wall where you can
20 be found, and if anyone wants to go one-on-one
21 with their account managers, please do so. Our
22 program managers are here for you also if you
23 want to talk specifically about an issue.

24 (ADJOURNED AT 9:52 A.M.)

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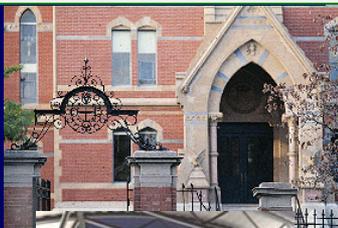
C E R T I F I C A T E

I hereby certify that the foregoing is
a true and accurate transcript of the
Narragansett Electric Company Large Business
Energy Efficiency Forum taken on March 13, 2003,
at 8:00 a.m.

DONNA E. DUMONT, RPR/CSR
Notary Public, State of Rhode Island



Our Customers are Important to Us



Narragansett Electric Company

Small Business Energy Efficiency Forum

Welcome

Kevin Menard
Vice President

Narragansett Electric

A National Grid Company



Rhode Island Business Forum Agenda

- ◆ **The Big Picture** – Cumulative Benefits from Efficiency Planning
- ◆ Program – Features and Benefits
- ◆ Technical Delivery and Process
- ◆ New Initiatives
- ◆ Questions and Answers
- ◆ Plan for Program Participation



Programs are Dynamic and Support Economic Development

The Big Picture

- ◆ Since 1992, utility spending in efficiency exceeded \$82 million
- ◆ More than 12,000 business customers participated
- ◆ Customer savings exceeded 270,000 annual MWH and 66 MW
- ◆ Value to business community \$183 million



Efficiency Programs Benefit the Environment

- ◆ **Equivalent savings in electricity to supply 45,000 homes a year**
- ◆ **Reduced smoke stack emissions since 1992**
 - ✓ **78,000 Tons Coal Reduction**
 - ✓ **245,000 Tons CO₂**
 - ✓ **1,900 Tons SO₂**
 - ✓ **650 Tons NOX**



Small Business Services Program

- ◆ 2003 Proposed Spending to assist owners in replacing inefficient electrical equipment and systems.

\$2.7 million



Narragansett Electric

A **National Grid** Company



The Nation

sketches business incentives

Small Business Services Program

Narragansett Electric's Energy Efficient Small Business Services Program (SBS), can help customers reduce their yearly energy use by about 30%, while saving on electricity costs, as well as enhancing the work environment.

44.84
POINTS

edaq
2.35

Markets

The US dollar
0.9985 euro
no change

10-year Treasury
4.15% ▲ 0.09

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Small Business Services Program

Eligibility Requirements:

- ✓ Small commercial and industrial customers who have an average monthly kW of 100 or less

OR

- ✓ 300,000 kWh annually or less, are eligible. This program includes churches and farms with R rate



Small Business Services Program

Description:

- ◆ A turnkey service, from energy analysis to the installation of energy efficient measures
- ◆ Program administered by RISE Engineering to Narragansett Electric's small business customers
- ◆ RISE Engineering conducts an energy audit free of charge at the customer's facility
- ◆ After approval from Customer to proceed with the program, RISE will schedule the installation of the energy efficient products



Small Business Services Program

Energy Efficient Measures:

- Energy Saving Lighting Upgrades
- Walk-In Cooler Efficiency Measures
- Photo Cells For Outdoor Lighting
- Energy Efficient Time Clocks
- Programmable Thermostats
- Occupancy Sensors



AMI Leasing

- ◆ ***Energy Efficiency Program:***
 - **Small Business Services**

- ◆ ***Measures include:***
 - **Updated lighting to:
T-8 lamps
2.8W LED Exit signs**



- **Energy Savings per year: \$1,601 or 18,294 kWh**
- **Cumulative Incentives Paid: \$6,752 since 1992**



St. Rocco's School

- ◆ *Energy Efficiency Program:*
 - Small Business Services

- ◆ *Measures include:*

- Updated lighting to:
 - T-8 lamps
 - 2.8W LED Exit signs



- Energy Savings per year: \$2,873 or 32,833 kWh
- Cumulative Incentives Paid: \$29,794 since 1992



Small Business Services Program

Payment:

- ◆ Company will pay up to a maximum of 75% of the total costs of the installation. Remaining balance (co-payment) paid by the Narragansett Electric customer.
- ◆ Customer will be billed as a line item on regular monthly electric bill
- ◆ Two options for co-payment amount:
 - ✓ Pay one lump sum - 15% discount
 - ✓ Finance co-payment interest free up to 24 months



Small Business Services Program

Warranties:

- ◆ **From Vendor:**
 - Lamps = 1 year
 - Ballasts = 2 years
- ◆ **From Manufacturer:**
 - Lamps = one more year
 - Ballasts = 3 more years
- ◆ **Total = 2 years on lamps, 5 years on ballasts**



Small Business Services Program

Old Fixtures, Lamps and Ballasts Removal:

- ◆ Customer is responsible for disposal of old fixtures (housing)
- ◆ Narragansett Electric offers free service to pick up old fluorescent lamps and ballasts
 - Service provided by Onyx Special Services



New Services for 2003

- ◆ **On Line Screening Tool - Flexible Web Tool for Screening Efficiency Opportunities and Identifying Program Information**
- ◆ **High Intensity Fluorescent Fixtures - Options in Addition to Metal Halide Fixtures**
- ◆ **HVAC Tune-Up - Enhance Operations of HVAC Rooftop Systems**
- ◆ **Custom - New Approach to Capture Unique Energy Savings Opportunities Beyond Prescriptive Lighting**



Narragansett Electric's "Energy Guide"

- ◆ Provides on-line access to help determine value of SBS for your business
- ◆ After providing information, a free audit analysis report will be provided to you
- ◆ Report will demonstrate costs and savings opportunities for your business
- ◆ Report will outline next steps to installation and long term operating savings



High Intensity Fluorescent Fixtures

- ◆ Replaces 175W, 250W and 400W HID fixtures
- ◆ Better lumens (light output), Reduced lamp depreciation
- ◆ Instant on - no more waiting for lamps to heat up
- ◆ Great for warehouses, manufacturing plants, sports facilities, retail spaces
- ◆ Example for a warehouse:
 - 10' wide by 100' long aisles at a 25 foot mounting height, replace (5) 400W High Bay with (5) 4 light T5 HO units, which will bring 455 watts to 234 watts



HVAC Tune-Up

- ◆ **Pilot implemented in 2003**
- ◆ **Measurements of system taken (age, condition, heating/cooling consumption, service history)**
- ◆ **Information fed into database**
- ◆ **Results evaluate air flow and refrigerant charge**
- ◆ **Based off results, corrections made to AC System**
- ◆ **Tune-Up includes:**
 - ✓ **Clean Coils**
 - ✓ **Adjust Controls**
 - ✓ **Check for Air Leakage**
 - ✓ **Replace Filters**
 - ✓ **Check and adjust refrigerant charge**



Custom Approach

- ◆ Identifies unique opportunities for energy savings beyond prescriptive choices
- ◆ Potential to explore more comprehensive, cost effective measures
- ◆ Opens up new opportunities for value to small business customers
- ◆ Examples:
 - Daylight dimming
 - Controls improvement
 - Variable frequency drives

URI Commissary



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Small Business Services Program

How to participate:

To schedule an audit or find out more on how to participate in the Small Business Services Program, please call **1-800-332-3333**.



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Small Business Services Program

Questions and Answers

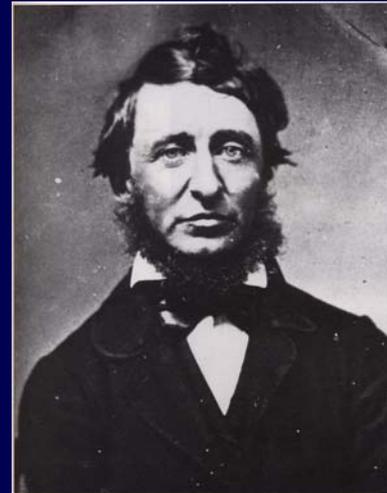
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Take Away Message

- ◆ **Reducing energy costs is good business practice**
- ◆ **Integrated and Sustainable Design practices will become an increasing part of business**
- ◆ **Take advantage of utilities programs, services and trainings available**



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STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS

IN RE:

NARRAGANSETT ELECTRIC
COMPANY LARGE BUSINESS
ENERGY EFFICIENCY FORUM

-----/

MARCH 13, 2003
1:30 P.M.

CROWNE PLAZA HOTEL
AT THE CROSSINGS
WARWICK, RI

BEFORE:

KEVIN MENARD, VICE-PRESIDENT

A-1 COURT REPORTERS, INC.
(401) 333-3381

1 (COMMENCED AT 1:38 P.M.)

2 MR. MENARD: Good afternoon, everyone.
3 There's still quite a few people who aren't here
4 yet, but everyone's busy, we want to get through
5 this, and we'll have time to talk to everyone at
6 the end should you desire to.

7 My name's Kevin Menard, and I'm
8 vice-president for Narragansett Electric. And
9 this forum is presented by Narragansett Electric
10 and the Rhode Island DSM Collaborative. And
11 something that came up in a conversation, DSM is
12 actually an old acronym for "Demand-Side
13 Management," but, you know, it is energy
14 conservation. And, actually, an energy
15 conservation forum is what we're doing. The
16 reason why we're here is each year when we create
17 new programs for the calendar year, in the fall
18 we file these programs with the Rhode Island PUC
19 for approval; and there's a whole process that
20 follows.

21 And one of the things that came out of
22 it was the PUC asked us and wished that we would
23 have a forum like this in an effort to do two
24 things: One is to try and educate customers on

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1 the programs; and then, No. 2, to give customers
2 an opportunity for direct questions and feedback.

3 If -- for example, if you participate
4 in the programs and if you've got some ideas, we
5 want to hear some of those ideas because it's
6 possible you might have a great idea we can put
7 into our next year's program. So we'll have an
8 opportunity to do that at the end.

9 As you can see, we actually have a
10 stenographer here. That is because the PUC
11 wished to have a record. They wanted a record of
12 the proceedings so that they could take a look at
13 what happened and what the conversations were.
14 So it's being recorded at their request.

15 We're going to have a presentation of
16 our small and C&I programs. When that's done,
17 we'll have a period for questions and answers.
18 Then when that's complete we'll actually have --
19 we have some vendors here who have brought some
20 materials that we'll display for you and answer
21 any questions you might have for that.

22 Today with us we have a couple of
23 guests that I just want to identify. Janice
24 McClanaghan is out on the phone. Janice is with

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1 the Rhode Island State Energy Office. And we
2 have Al Contente from the Rhode Island Division
3 of Public Utilities and Carriers; and Al is a
4 staff engineer there. In addition to that we
5 have a number of people from our Northborough
6 office who develop and support our programs, and
7 that's who you'll be hearing from in the
8 presentation.

9 Some quick housekeeping. There's
10 coffee and snacks if you desire. Just feel free
11 to get up and get one. The rest rooms are down
12 the hall to the left. And I guess it's sort of,
13 even though it's an intimate group, we'd ask if
14 you could hold the questions, jot down any
15 questions you have till the end. I guess with
16 that I'll turn it over to Michael McAteer.

17 MR. McATEER: Thanks, Kevin. My name's
18 Michael McAteer; and I handle both the large and
19 small services. This morning we had our large
20 business customers. It was a great opportunity
21 to get feedback on how we can better provide
22 products and services to all of our customers.
23 Whether you're a large business customer or small
24 business customer or residential customer, we

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1 take all of our customers very seriously. I'm
2 hoping that today as we go through the specifics
3 of the small business services, it's an intimate
4 enough group that maybe we can get some feedback
5 as to how we could better provide you
6 opportunities to reduce costs.

7 First what I'd like to suggest, if I
8 may, as Kevin said, we're going to essentially go
9 through the next 45 minutes looking at the larger
10 picture of what's been accomplished over the last
11 ten years and then more specifically get into the
12 specific features and benefits of the small
13 business services and then how the technical
14 delivery is set up and how each of you can access
15 it and also some of the new initiatives. We're
16 constantly looking at ways to refine our
17 offerings out there to provide better value to
18 our customers. And then, most importantly, we'll
19 give you an opportunity for questions and answers
20 and for you to participate.

21 I'm always -- everyone accuses me of
22 being the "big picture guy"; but so you know,
23 when I look at what has been happening over the
24 last ten years with our small and large business

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1 customers and we think about how to create more
2 sustainable energy resources, since 1992 over \$82
3 million has been spent with customers trying to
4 help them be more competitive in their business
5 environment and use our commodity in a more
6 sustainable way. Twelve thousand business
7 customers participated. Customer savings
8 exceeded 270,000 annual megawatt hours. And I
9 guess the most important piece is the value of
10 those transactions and the utility incentives.
11 Better practices has translated to economic
12 development; and that's because it's not only
13 recognizing working with customers but it's also
14 bringing in the full network of suppliers,
15 manufacturers, distributors, electrical
16 contractors, and changing the way we use
17 electricity.

18 And equally important is what we're
19 beginning to see is climate change and the
20 importance of environmental benefits that can
21 come from better practices of use of electricity.

22 And here's my idea of trying to figure
23 out what 270,000 annual megawatts really is.
24 It's hard to get your arms around, but it's

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1 essentially 45,000 homes, and you can see -- from
2 the emissions reductions you can see how energy
3 efficiency in the business sector can play a
4 very, very important role.

5 I would like to say how much money we
6 have looking at the budgets that are available to
7 support our small business services is pretty
8 robust, \$2.7 million. And that's generally been
9 levelized over the years. One of the things I
10 said earlier this morning is that we're fortunate
11 in Rhode Island because Rhode Island is an
12 extraordinary leader in public policy for
13 supporting energy efficiency across all the
14 sectors, residential, small business customers,
15 and large business customers.

16 So with that what I would like to do is
17 move specifically into our Small Business
18 Services. I'd like to introduce our program
19 manager, Crystal Rahaim, who's going to begin to
20 talk about the featured benefits and how you can
21 access Small Business Services.

22 MS. RAHAIM: Well, as Michael said, my
23 name is Crystal Rahaim; and I run the Small
24 Business Services Program from our Northborough

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1 office. What I'm going to do today is talk about
2 the program, what it's about, what we offer, who
3 is eligible to participate.

4 First I'd like to introduce some
5 people. We go out to bid every few years, and
6 through a competitive offering a vendor is chosen
7 for a particular area. For the Rhode Island area
8 we have a company called RISE Energy. And with
9 us today is Vin Graziano, who is the President of
10 RISE Energy; and Jerry Giusti, who is the program
11 manager at RISE. And Jerry and I talk on a daily
12 basis, talking about issues and products,
13 whatever. At the end when we have the question
14 and answer period, if you have any questions
15 specifically for RISE, feel free to ask them.

16 The Small Business Services Program,
17 the idea of it, as Michael said, of environmental
18 issues, of trying to help you guys run your
19 businesses more effectively, through the Small
20 Businesses Program we can save you approximately
21 30 percent off the lighting portion of your
22 electric bill and also enhance your working
23 environment.

24 And how do we do that, and who is

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1 eligible? Well, small commercial customers are
2 eligible. And you can tell if you're a small
3 commercial customer by your usage. And a
4 customer who has a usage, a monthly average of a
5 hundred kW or less is eligible, or 300,000 kWh
6 annually or less is eligible. And if you are not
7 sure if you're eligible, you just give one of us
8 a call, and we'll look it up and let you know.

9 The Small Business Services Program is
10 a turnkey program, meaning that it will take care
11 of soup to nuts, from A to Z. They will do
12 everything for you. And the company, RISE
13 Engineering, in Rhode Island, they'll do
14 everything from the energy analysis to the
15 installation of the measures if you desire to go
16 forward with it.

17 Basically what RISE will do is they
18 will verify that you're a small business customer
19 based on your usage, they'll go out and do an
20 energy audit, which is free of charge. There's
21 no obligation. Once the energy audit's done,
22 what they'll do is enter the information into a
23 database and the database will give them what
24 you're currently using for lighting, your use of

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1 load on a dollar per kWh basis. Part of the
2 report is going to be the current use. And then
3 a proposed usage report, if you put in what we
4 propose how much money you can expect to save on
5 the lighting portion of your bill, and we
6 translate that into usage as well.

7 After you take a look at the report,
8 you decide whether you want to go forward with it
9 or not based on the information that's on there.
10 If you decide to go forward with it, you sign the
11 contract, return it to RISE Engineering, RISE
12 will then call you up, schedule the installation,
13 the electrician will come out, will take your old
14 lights out, put your new lights in, and you'll be
15 good to go.

16 Some of the measures that we offer, we
17 offer obviously lighting, we offer -- we will do
18 a retrofit. If we can just go out and take out
19 your old lamps and ballasts, put in more energy
20 efficient lamps and ballasts. If you need a
21 whole new fixture and they're in our program,
22 we'll put in a whole new fixture.

23 We also do coolers. If you're a
24 convenience store, gas station, and you have

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1 walk-in coolers, we have measures to do that. We
2 do photo cells for outdoor lighting. We do
3 programmable thermostats. We do occupancy
4 sensors. And we do LED lighting. We have some
5 new technologies that we'll go over later that
6 we're introducing into the program.

7 To give you an idea of, maybe I
8 shouldn't say typical, but some savings that you
9 can expect to see, this job was done at AMI
10 Leasing. They updated to T-8 lamps and LED exit
11 signs. Their savings per year was about \$1600 a
12 year, which comes out to about 18,000 kWh. And
13 the incentives that were paid out since 1992 for
14 this particular customer, who has done more than
15 one job through us, has been almost \$7,000.

16 Another customer was St. Rocco's School
17 that was done. They did the same thing, T-8
18 lamps, exit signs. Their savings per year was
19 almost \$3,000 or 32,000 kWh. And since 1992
20 we've paid out almost \$30,000 to help them out.

21 So you're probably wondering who's
22 going to pay for all of this. Well, what we do
23 is Narragansett Electric will pay 75 percent of
24 the cost of the installation. The other 25

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1 percent is what we call a "copay," which is the
2 part that you're responsible for. And that can
3 be put right on your monthly electric bill. So
4 you will not get a separate bill. You don't have
5 to make out a separate check and put another
6 stamp. We actually give you two options on how
7 you want to pay your 25 percent. You can pay it
8 all in one lump sum, in which case we'll give you
9 a 15 percent discount off of that amount; or you
10 can pay it over a 24 month period of time
11 interest free. You don't get the discount. The
12 annual monthly payment is smaller; and for a lot
13 of customers it's easier to absorb that cost if
14 they break it up into 24 months.

15 We have some warranties. We warranty
16 everything that gets installed in your facility
17 for one year for manufacturer's defects. Aside
18 from that, we warranty the lamps. And actually
19 the warranty starts off with any labor vendors,
20 and then the manufacturer takes it over after a
21 period of time.

22 On your fluorescent lamps we will
23 warranty them for one year. If a lamp blows,
24 RISE Engineering will go out and replace the lamp

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1 for you. The manufacturer, which is Sylvania,
2 which is the product that we use now, Sylvania
3 will warranty that lamp for one more year. So
4 basically you are getting a two-year warranty on
5 that lamp.

6 As far as your ballasts go, RISE
7 Engineering will warranty your ballasts for two
8 years. If they blow out, they go out and replace
9 it for two years. After that Sylvania will pick
10 up an additional three years. So you end up with
11 a five year warranty on your ballasts.

12 So what are we going to do with all the
13 stuff we take out? The fixture is your
14 responsibility, which is like the housing. The
15 old fluorescents, we actually contract with a
16 company, Onyx Special Services. What they'll do,
17 once the job is closed out of the database, we
18 have a way of relaying that information to Onyx.
19 Onyx will call you up and schedule a time to pick
20 up the lamps and ballasts and take them away. As
21 far as the fixture, you can throw it in the trash
22 or you can call a metals recycler and get some
23 money for it.

24 As I said, we have some new ideas, some

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1 new measures that we wanted to bring into the
2 program. And these are some of the ones that
3 we're working on this year. We're looking at an
4 on-line screening tool which we've never had
5 before. You know, we've basically done
6 everything through the mail, fill out a postcard,
7 send it in, we'll call you up, set up an audit.
8 But we are now going to implement an on-line
9 screening tool which will give you the
10 flexibility to go on-line at your leisure, fill
11 out the information, and get a free analysis
12 report back from it.

13 We're also going to talk about the high
14 intensity fluorescents, we're going to talk about
15 an HVAC tune-up pilot program we're looking at
16 doing this year and if successful implementing it
17 next year.

18 And we're also looking at a "Custom
19 Approach," which is a new approach to identify
20 energy saving measures, a list of measures, what
21 we call a "prescriptive list of measures." This
22 is what we offer, this is what you can install in
23 your facility. But there are other things that
24 can save you money that we can identify by using

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1 this custom approach too.

2 And for the last three bullets I'm
3 going to have Kevin Keena, who's the manager of
4 our technical services, he'll come up and talk
5 about the high intensity fluorescent fixtures,
6 the tune-up, and the custom.

7 As far as the on-line tool, pretty much
8 as I told you, it provides you information by
9 getting a free analysis report out to you, enter
10 it into a database, it will show you cost savings
11 both in dollars and in energy; and it will also
12 outline what would be your next step if you want
13 to go ahead and participate in the program and
14 have an installation done. That will give you
15 the information on how to go forward with that.

16 Kevin.

17 MR. KEENA: Thanks, Crystal. My name's
18 Kevin Keena. I help provide technical support
19 for our programs, for Small C&I and large C&I
20 programs. I just want to touch base on some of
21 the new ones. We're going off energy
22 conservation measures, getting into a little more
23 on the technical side.

24 The high intensity fluorescent

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1 fixtures, that's a new term that's out there,
2 they're fluorescent fixtures meant to replace
3 high intensity discharge fixtures. The high
4 intensity discharge are the type of fixtures you
5 see in warehouses. They have a hazy light or
6 yellowish light. They're mounted 20, 25 feet up.
7 They now have a fluorescent fixture that can
8 replace those. In the past fluorescent fixtures
9 were applied to lower mounting heights up to ten,
10 15 feet, somewhere around there. The fixtures,
11 you'll get a chance to see one over here lit up
12 later. The benefit of this is better lumens.
13 "Lumen" is the light output, how much light comes
14 out of your light fixture.

15 Along with improved lumens is reduced
16 lamp depreciation. A high intensity discharge
17 fixture will start to lose its light over the
18 life of the fixture. They may run for 15, 20,000
19 hours, but they depreciate from a hundred percent
20 light output to 80, 70, down to 50 and even
21 further if they run the full life they're suppose
22 to. But the typical design level is about 70
23 percent. The original is where you design the
24 light, so you have a lot more than you need, then

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1 you get to what you really need, and then it's
2 less afterwards. The new fluorescents now
3 maintain 95 percent of the light output
4 throughout the life of the lamp from the
5 beginning all the way to the end. So it
6 maintains the life a lot longer.

7 Also, the efficiency rating of the
8 lamp, they describe it has lumens per watt. And
9 the HID fixtures may be in the 60 to 70 lumens
10 per watt. The fluorescents are up in the 90
11 range or more than that. So, again, it's a
12 higher efficiency. It's got instant on
13 capability. Your HID fixtures, if you've ever
14 seen them come on, it takes five, ten minutes to
15 come on to full brightness. If you lose power,
16 not that you lose power in our territory, but if
17 it's another territory, if someone flicks a
18 switch, the lights go out, it may take ten, 15
19 minutes. Fluorescents have instant on.

20 It gives you a lot more flexibility for
21 control options, you can put occupancy sensors on
22 to turn them on and off and to be able to dim
23 them more cost effectively than the HID. They're
24 great for warehouses, manufacturing plants and

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1 retail spaces, sports facilities, anyplace you've
2 got high ceilings. We're talking 18, 20 feet and
3 above where these things are applicable.

4 Sometimes you'll see them in lower areas.

5 Parking garages may have them, things like that,
6 particularly they're in the higher ceiling areas.

7 An example of a retrofit here, if you
8 have, say, a warehouse, if you have a long aisle,
9 ten feet wide, a hundred feet long, you may have
10 five fixtures in there to light up that aisle
11 sufficiently. You can replace those with T-5s.
12 It's a five-eighths inch diameter lamp, very high
13 intensity, and a lot of lumens coming out of that
14 small lamp. And you can replace them with 234
15 watts where existing it was 455. So it's about a
16 50 percent reduction almost potential there for
17 reducing your wattage. And it comes from not
18 just the more efficient lamps and ballasts
19 therein but also from the fact that some of these
20 fixtures are typically more efficient than your
21 HID type fixtures. HID fixtures may be anywhere
22 from 60 to 80 something percent efficient. The
23 high intensity fluorescent fixtures can get up in
24 the high 90, 95 percent range, because they're

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1 open fixtures and very efficient at getting the
2 light down.

3 The next area we're getting into, as
4 Crystal mentioned, is a pilot, is HVAC tune-ups.
5 This will be for all rooftop units. The intent
6 of this is to go out, look at your air
7 conditioning equipment, check it out in detail,
8 and then tune it up and get some energy savings
9 for your facility. There's a number of these
10 pilots going on across the country in different
11 areas. There's some of the big manufacturers,
12 like Carrier, are getting into it also. And
13 really what they're doing is, I like to think of
14 it as you do for your car, you go in, say, "Give
15 me points, a new filter." And nowadays they plug
16 it into a computer and analyze how things are
17 running. They really go in and check the
18 refrigerant, the temperature control, the coil,
19 the inlet/outlet, how efficiently it's operating,
20 are they clean. It's a lot more detail than they
21 typically go into normally. They go out, they
22 take measurements of the system, how old are
23 they, look at your annual and monthly
24 heating/cooling consumption. They take all this

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1 information and feed it into a software program
2 that has a database on it. And what that does is
3 it compares the way that your equipment is
4 running to the equipment the way it's suppose to
5 be running with other design conditions, with the
6 right equipment charge and everything else. And
7 based on that evaluation it tells you how your
8 air flow stacks up against the unit properly
9 tuned. Based on these results, the technician
10 will make adjustments to your system to make it
11 operate more efficiently. The projected savings
12 is anywhere from 10 to 20 percent with an average
13 of somewhere around 15 or 17 percent in the air
14 conditioning energy use.

15 What they'll come out and do, they'll
16 take these measurements, clean the coils, adjust
17 your controls, both on your air conditioner,
18 discharge air temperature, and especially on the
19 economizers. A lot of rooftop units use free
20 cooling economizers; and that uses outside air
21 and turns the compressor off. A lot of those
22 controls don't work. They may get adjusted once
23 a year, but they tend to bind up. They'll check
24 for air leakage on the duct work, fittings,

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1 replace the filters. And then with the
2 refrigerant charge, they check and adjust that,
3 either add or take stuff out depending on how
4 well charged the system is. So we're kind of
5 excited about this. We're looking at doing 50
6 companies in Rhode Island this year to test it
7 out and see how it goes and roll it out next
8 year.

9 The last major change we have this
10 year, as Crystal mentioned, is Custom Approach.
11 We have been limited in the past to a list of
12 prescriptive measures or prequalified measures
13 where we know there's going to be some savings
14 coming in. Opening it up to a custom approach,
15 we're never sure what we're going to run into
16 when we get out to the site, and this allows us
17 now to identify unique opportunities where we may
18 not have thought to look before. Some of this
19 has come out of our existing experience where
20 RISE has gone through facilities and found things
21 as they've been looking at other things, they
22 say, "How come we can't do some of these?
23 Because there's an opportunity for savings." And
24 sometimes the customer has an opportunity they

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1 know of from information they've seen and it
2 might not fit into our program. This allows us
3 to look at and explore and see how we can be more
4 responsive, not just look at the predetermined
5 choices that we have, but to go in there with an
6 open mind and see what we can find. And it opens
7 up the opportunity for more value that we can
8 bring to the customer if we can look at other
9 things, even as far as process equipment, putting
10 better controls on the equipment. There's some
11 good opportunities hopefully.

12 Some of the examples of what we'll be
13 looking for is daylight dimming opportunities.
14 If you've got a store front with full glass
15 across the front, there's a good opportunity for
16 dimming ballasts and you can still maintain your
17 light but on sunny days you can turn those lights
18 out or dim them way down.

19 Control improvements, again, if you've
20 got exhaust fans, other things that are running,
21 and they get left on 24 hours a day for
22 convenience sake, we can put in timers or other
23 controls.

24 Variable frequency drives, this is

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1 something that's very big in our large
2 commercial/industrial program where you have a
3 variable frequency drive or a variable speed
4 drive on a pump or fan to slow down the motor,
5 get to save quite a bit of energy. There's a 20,
6 30, 40 percent savings possibility on a lot of
7 these. And we'll be looking at the smaller pumps
8 and fans that you may have in your facilities.
9 So it gives you a lot more flexibility. And
10 these can all be incorporated into the standard
11 program that we have. So that's it for our new
12 measures.

13 Basically to participate, here's the
14 800 number to call. Also you can look on the
15 Narragansett Electric web site, which is
16 www.narragansettelectric.com, and you can find
17 some information there and also contacts. I
18 think that about covers new stuff.

19 MS. RAHAIM: I just have one more
20 thing. When I was talking about the on-line
21 co-pilot tool that we have, with us today here is
22 Adam Marks who works for Nexus Energy, and Adam
23 can demonstrate after we're done with questions
24 and answers, if you want to stay and talk to

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1 RISE, you can also go over to Adam, he can show
2 you the on-line tool, he could show you what the
3 output would be.

4 MR. McATEER: I think at this point
5 it's a small enough group we can have questions
6 and answers.

7 MS. WHITE: On everybody's table I
8 think you'll see there are some blue sheets here.
9 Those are evaluation sheets. One thing that we'd
10 like to do is we'd like to get some input from
11 all of you about what we can do to make our
12 program services better than they currently are,
13 how this kind of a get together could be made
14 more useful for you, and really just give you an
15 opportunity to be able to share information with
16 us. So if you could please take some time before
17 you leave here today to fill that out, you can
18 just leave it on the table, we'll pick it up
19 later. If you want to, let us know who you are;
20 and if you don't, that's fine too. And with that
21 why don't we turn this over for some questions.

22 We have a stenographer here, and it
23 will be helpful if you could just mention your
24 name and the company that you're here

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1 representing when you ask a question.

2 MR. ROSELLI: My name is Paul Roselli
3 with Corporate Film and Video. Just a question
4 about the fluorescent lighting. The high
5 intensity fluorescent for outdoors, weather
6 proof? That's a question mark. Are they weather
7 proof? Do they last? You mentioned sports
8 arenas. I'm thinking of parking lots and outdoor
9 venues for any type of nighttime sports
10 activities.

11 MR. KEENA: They do make ones that are
12 designed for exterior installation or for
13 interior, vapor type fixtures. They can be used
14 in outside operations. We've seen them being
15 applied to parking garages quite a bit. Haven't
16 seen them applied too much beyond that.

17 MS. RAHAIM: You mean a covered parking
18 garage?

19 MR. KEENA: Right, in a covered parking
20 garage. We haven't seen them applied too much
21 beyond that. They do have a good potential for
22 getting light out. We haven't really seen them
23 used as flood lights in sports stadiums, things
24 like that; but they could be used outside.

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1 MR. ROSELLI: I had done this thing,
2 not through RISE, it was another company, it was
3 ten years ago. Everything was dark when they
4 left. Is Shell using those new fluorescent
5 lights; or are they just using more lights? And
6 would you guys from RISE be able to answer that
7 question? Because people being able to see would
8 be important too.

9 MR. KEENA: We haven't seen them being
10 used in the gas stations and outside canopies
11 yet. There's actually a better application at
12 this point for that type of fixture, you have the
13 standard Metal Hilide that's one of the things
14 that is offered through the program. Another is
15 the Pulstar that presently offered. It's the
16 same range wattages, the 175, 250, and 400.
17 They're more efficient lamps. The standard Metal
18 Hilide is something that can be done under the
19 program.

20 MR. ROSELLI: Exterior post parking lot
21 lights as well?

22 MR. GIUSTI: We've been using Pulstar
23 kits for the gas station canopies we're
24 installing.

1 MR. ROSELLI: I know some of them have
2 a metal lid on them, some of them have a glass
3 lid. Why is that? The glass lidded ones seem a
4 lot brighter.

5 MR. GIUSTI: What we do have currently,
6 we're installing three 20 watt canopy Pulstars.
7 You'll see them on the newer gas stations. And
8 we're going back and we're taking down maybe some
9 of the old incandescents, maybe the old Metal
10 Hilide, mercury basis, install that type. It's
11 about a two by two box.

12 MR. MASSE: You're from RISE. I notice
13 a lot of these new companies, these Pottery
14 Barns, these new companies coming in, they've got
15 great looking designs. I'm sure they're not
16 paying more for their bill than I am. Is that
17 you guys?

18 MR. GIUSTI: Usually when you're
19 putting in new buildings, they're working with an
20 interior designer; and actually we can come in.
21 Many times customers say to us, "I want what Old
22 Navy has," and we work with them.

23 MR. MASSE: That's the place I saw
24 those lights. They're right in that Old Navy

1 store.

2 MR. GIUSTI: We try to help; but at the
3 same time we're also working as an energy
4 conservation program, so we have to help design
5 your appearance and savings.

6 MS. RAHAIM: So the architects, they
7 don't design for energy savings, they design for
8 look.

9 MR. McATEER: Let me just comment,
10 because every one of the services that we have is
11 Design 2000 or where we have an opportunity for
12 both interior and exterior lighting, there's the
13 possibility of going through that.

14 To go back to what you were saying
15 earlier about the types of fixtures, one of the
16 things I've come to recognize is there's a
17 cutoff, and the reason there's a tremendous
18 amount of waste is that you have to design your
19 lighting so that it doesn't have a cutoff, which
20 means that it doesn't send 25, 30 percent of the
21 light into the atmosphere so if you're trying to
22 light up Jupiter, you're doing a great job. On
23 the other hand, if you're really trying to think
24 about the task you have in mind, the space, those

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1 cutoffs are important. It's not quantity of
2 light that ultimately determines the quality.
3 And I don't know if you've been in some of the
4 gas stations that I have in my town, but I put my
5 sunglasses on when I'm trying to pump gas in some
6 of the Mobil gas stations. So we're beginning to
7 recognize that there's a relationship between the
8 quality and quantity and the recognition that
9 there's better choices out there for exterior
10 lighting.

11 With respect to Narragansett Electric,
12 there's even another vehicle, which is Design
13 2000 Plus, which looks at those better practices,
14 and we can provide incentives and technical
15 assistance or engineering to support that.

16 MR. HABERSHAW: My name is Bob
17 Habershaw from Harris Furs. We're actually going
18 through this right now. But I notice this
19 program you talked about cooler efficiencies. Do
20 you do the survey for that?

21 MR. GIUSTI: No, we don't.

22 MS. RAHAIM: No, actually we have
23 another vendor, National Resource Management,
24 that does the cooler work.

1 MR. HABERSHAW: I'd like to get that
2 too.

3 MS. RAHAIM: Sure. What I can do is
4 give you my business card or send me an e-mail
5 and I'll send you the information.

6 MR. HABERSHAW: Because we have big
7 refrigeration for furs.

8 The second question is, I know -- I
9 think there was a one-year warranty from
10 Narragansett on the lighting, two years from
11 Sylvania, and then I heard five years, five years
12 for one.

13 MS. RAHAIM: Let me go over that again.
14 There's a one-year warranty from RISE Engineering
15 for any defect, and specifically on the lamps
16 there's a one-year warranty from RISE Engineering
17 and then Sylvania picks up another year for the
18 lamps. On the ballasts, RISE Engineering will
19 pick up two years on the ballasts and then
20 Sylvania will pick up an additional three years.

21 MR. HABERSHAW: So it was only two
22 years on the lamps, one and two. One, and two
23 from Narragansett Electric, or maybe it's two
24 total.

1 MS. RAHAIM: Two total on the lamps,
2 and five total on the ballasts.

3 MR. HABERSHAW: Thank you.

4 MS. FULLER: My name is Marilyn Fuller,
5 and I'm with Concentric Spheres, Inc. We're a
6 small start-up company, and we're going to be
7 moving to Pontiac Mills in about two to three
8 months. What do you do for people like us?
9 There's tons of small businesses at Pontiac
10 Mills, and it's an historical building. And I'm
11 not sure if there are any restrictions or not in
12 terms of what can be done; but would you treat a
13 tenant individually, or would it be treated
14 through Pontiac Mills ownership?

15 MS. RAHAIM: How are you guys metered,
16 do you know?

17 MS. FULLER: We haven't moved in yet.

18 MR. MENARD: When you move in, would
19 you have your own meter?

20 MS. RAHAIM: Actually we've been
21 through this over the years, and when the program
22 was originally -- when the program originally
23 started, we considered a customer to be a name
24 and an address. And if the customer's name and

1 the address was the same, you had five accounts
2 under the name of Mary's Shoe Store on 1 Main
3 Street, we considered you as one customer. Over
4 the years we've come to understand that a lot of
5 businesses are metered and there may be just one
6 meter for ten different stores, like in a strip
7 mall, and in those instances we will look at it
8 individually. If, however, it is the owner who
9 pays the bill or is the one to tell you how much
10 your portion of the bill is, we'll work with that
11 person to get a little bit of information from
12 them just so we can have some backup to say, yes,
13 this individual store is a small customer.

14 MS. FULLER: That would be great;
15 because it would -- because I could see the
16 advantage for a small business to have it and
17 things of that nature.

18 MS. RAHAIM: The one thing to be aware
19 of is this is not -- I mean, this is a retrofit
20 program, so you were talking about renovating,
21 you really need to contact RISE Energy before you
22 actually take the lights out of the ceiling;
23 because they need to go down and look at what you
24 currently have so we can estimate how much you'll

1 save off your bill.

2 MS. FULLER: I don't even see any
3 lights in the building to tell you the truth.
4 The building is quite unusual. It does date back
5 to Abraham Lincoln's time, cause he was there. I
6 understand they use to make underwear there.

7 MS. RAHAIM: If you find there aren't
8 lights in the ceiling, we wouldn't be able to
9 help you in the Small Business Program, but as
10 Michael said, we can help you in the Design 2000
11 Plus program. We can help you get an incentive
12 through that program.

13 MR. MENARD: If the landlord is
14 renovating a space, you might want to get to him
15 quickly, and what they'll do is certain fixtures,
16 it's based on initial cost, you don't want him
17 going out and buying his fixtures and then be
18 stuck with them. Let's work together with the
19 owner and with RISE and come up with a solution.

20 MS. NARDONE: I'm Donna Nardone from
21 the Prout School. Just a logistical question to
22 the process. Would we call the 800 number and
23 the 800 number puts you out to RISE?

24 MS. RAHAIM: The 800 number rings at

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1 the call center, and what they will do is take
2 down some basic information, take your account
3 number, verify you are a small business customer,
4 and what they will do is schedule a time for an
5 auditor to go out there and look at your
6 facility. And once the auditor comes out and you
7 get some information either hand delivered or via
8 mail, you'll get a couple of reports along with a
9 contract, look it over, it shows you what the
10 cost is, estimated savings. If you want to go
11 ahead, just sign the contract, return it to the
12 people at RISE. RISE will call you and schedule
13 a time for the installation to be done that's
14 convenient. They're very good working around
15 people's schedules. If it's a Papa Gino's, they
16 won't go there at noontime, they'll work early in
17 the morning or late at night.

18 MS. NARDONE: I understand the warranty
19 schedule. Do you have a list of suppliers that
20 you recommend we purchase from?

21 MS. RAHAIM: Yes. Actually, we work a
22 company called Monroe Distributors. At some Home
23 Depots I think they sell some of the T-8s there
24 now. Some stuff you can actually get at Home

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1 Depot. What you would do is give Monroe's a
2 call, they've been good about giving customers
3 any pricing. Basically you can look through the
4 Yellow Pages under "electrical distributors" and
5 call them and say, "This is what I have. Can I
6 get a replacement from you?"

7 MR. MASSE: You people are very nice.
8 What's the odds of Narragansett giving thought to
9 sustainable energy like windmills, solar power?
10 A couple of windmills at peak time wouldn't be a
11 bad way to save some money. They got them in
12 California. You guys aren't going anywhere. I
13 know what I pay. You're quite secure in your
14 jobs.

15 MS. RAHAIM: You hear that, Michael.

16 MR. MASSE: I also have a family, and I
17 also have land at home, and after you look at
18 your Christmas light bill, and I have over 150
19 employees, so you try to have some way to offset
20 this peak demand stuff. Okay, sometimes in the
21 summertime I walk outside, I hear those air
22 conditioning units going, it's killing me now.

23 MS. RAHAIM: You cringe. So do we.

24 MR. MASSE: I know what you guys are

1 going through. I know in Nantucket or Block
2 Island they're trying to put some windmills.
3 They don't want them, they're noisy, they're
4 loud. I saw them in California. I don't know
5 how they got them.

6 MR. McATEER: Janice is here. She can
7 even talk about that.

8 MS. WHITE: Janice McClanaghan from the
9 State Energy Office is with us today.
10 Unfortunately, she's tied up on a call right now.
11 The State Energy Office is helping develop
12 renewable energy resources in the state. Part of
13 the charge all of you pay on your electrical
14 bill. And I encourage you to call the State
15 Energy Office if you'd like to get information
16 about renewables.

17 MR. MASSE: There's a Bill McAdams
18 sells power back, actually sells power back; but
19 I tell you, it would be kind of nice if you guys
20 start sending me a check for a couple of hundred
21 bucks. Okay, I'll talk to her. Thank you.

22 MS. WHITE: Does anybody else have any
23 questions?

24 MR. HAUSER: My name is Rudi Hauser

1 from Hauser Chocolatier in Westerly. A couple of
2 years ago, last year I think, there was a program
3 called "Cool Choice" for upgrading HVAC systems.

4 MS. RAHAIM: Yes, we still have that
5 available.

6 MR. McATEER: We still have that
7 available, and it's promoting high efficiency
8 rooftop equipment. The standards have changed a
9 little bit in the last couple of years, so
10 they've moved up in efficiency; but the program
11 is still available. The incentive is supported
12 and there's a streamlined process of filling out
13 one sheet, installing the equipment, being sure
14 it meets those standards.

15 MS. RAHAIM: Again, if you go to our
16 web site, narragansettelectric.com, you will find
17 information under "large business," you should
18 find information on the Cool Choice Program.

19 MR. HAUSER: Under "large business"?

20 MS. RAHAIM: It's not something that's
21 under small business. It's just something that's
22 normally offered to the large businesses.

23 MR. HAUSER: We have to keep things
24 cool in chocolate.

1 MS. BROUWER: Carol Brouwer, North
2 Smithfield Library. On this Cool Choice, does it
3 actually have to be roof units, or can it be on
4 pads outdoors?

5 MS. RAHAIM: We don't do through the
6 wall, so like a regular air conditioner is not
7 covered.

8 MR. KEENA: Yeah, the Cool Choice
9 application covers, as I mentioned, the rooftop
10 units. It covers split systems, which are the
11 type of system where you may have your air
12 handler inside your building and outside you have
13 the three by three box with your compressor and
14 condenser. It covers those type of systems. It
15 does cover heat pumps. It doesn't cover the
16 through the wall or window type air conditioners
17 anymore. Package terminal air conditioning units
18 like you see in a hotel or something like that,
19 those were taken off the list because there's not
20 enough of those; but they don't have a high
21 efficiency.

22 MS. BROUWER: So it doesn't have to be
23 on the roof?

24 MR. KEENA: No. No.

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1 MS. WHITE: Anybody else?

2 MR. McATEER: Well maybe at this time
3 we have Adam over here who's anxious to get some
4 data and see if we can generate a report. And
5 Kevin would like to say something as well.

6 MR. MENARD: We have obviously the
7 presentation is here, you can take a look, visit
8 Adam in the back. I appreciate everyone taking
9 the time to come out. We hope it was valuable.
10 I have two questions -- two requests. One is if
11 you would take the time to fill out the blue
12 evaluation form. Also, on the bottom, if we were
13 to do this again, is there a better time of day,
14 does it matter that much. If there is, let us
15 know. We had a great showing this morning, and,
16 you know, maybe the breakfast hour 7:30, 8
17 o'clock hour, we had the large customers in this
18 morning, we had about 150, 160 customers, and we
19 know that your situation is different and we
20 didn't expect big numbers. We had hoped to have
21 more of a showing. If we do it again, we want to
22 focus in on what time is good for you as a
23 sector. We appreciate your coming. Mill around
24 and ask questions. The staff's here. If we're

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1 able to answer any questions or anything else you
2 want to talk about.

3 (ADJOURNED AT 2:27 P.M.)

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C E R T I F I C A T E

I hereby certify that the foregoing is
a true and accurate transcript of the
Narragansett Electric Company Small Business
Energy Forum taken on March 13, 2003, at 1:30
p.m.

DONNA E. DUMONT, RPR/CSR
Notary Public, State of Rhode Island

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SPECIFIC REQUESTS FROM RI FORUM, MARCH 13, 2003 /status report May 22, 2003

Name	Company Name		Comments	Reason on list	Disposition
David Brown	A&H Manufacturing, Providence		Looking for technical support on power factor correction. We said "there may be something we can do for you there"	Commitment from Q&A session	TO DO: McAteer assigned F. Dagher to f/u
Harry Miller	Aramark - Providence College			Asked to be contacted re: written comment, probably wants general info	TO DO: McAteer assigned himself to f/u
Steven Turner	Brown University		Greenhouse gas savings (CO2, NOx, SOx) from their participation since 1990	Request from Q&A session	DONE: McAteer e-mailed customer information
Steven Turner	Brown University		Looking for data that shows how much of RI factor collected from each sector goes back to that sector.	Request from Q&A session	TO DO: McAteer assigned Newberger to f/u
Steven Turner	Brown University		Looking for way that large C&I customers can help PUC incentivize investment in Transmission. We said we'd study it.	Request from Q&A session	DONE: Newberger talked to customer at forum about our efforts to influence transmission investment and fluidity of national tx policy. No further f/u needed
Paul A. Roselli	Corporate Film +Video		Not enough education about design services. Perhaps audit and design services can happen at Home Depot, Sears, Etc. These sessions are good, but what we need to reduce usage is more needed.	Asked to be contacted re: written comment	TO DO: McAteer assigned F. Boucher to f/u
Bob Habershaw Matulaitis	Harris Furs		Asked for cooling efficiency services in fur storage application. Crystal Rahaim promised to be in contact	Request from Q&A session	DONE: P. Matulaitis discussed Cool Choice w/customer on 3/20/03. TO DO: McAteer assigned C. Rahaim to f/u for specific SBS services?
Dave Laplante Murray	Kenyon Industries		Compressed air - building operators cert.	Written comment. Appears to be looking for info on these offerings	DONE: D. Murray notified customer next BOC class will be in 2004. Cust purchased a used a/c system which does not qualify for rebate. TO DO: Northborough to put customer on list for next class?
Rick Elmasian Dunham	Portsmouth RI School Department		#6 - I would like more information on BOC training for certification who, when, where and how much. Excellent information for the time allocated, location & time set was excellent. Please send the information packet as needed for attending BOC training. I know this will help me evaluate the school depts. needs and how to plan for them.	Asked to be contacted re: written comment	DONE: 2 nd RI BOC class not presently scheduled for 2003. Jeff informed the customer that he would keep him on the list for 2004. TO DO: Northborough to put customer on list for next class?
John Reichert Dunham	Public Works Dept., Naval Station - Newport		I would like to see a handout on obtaining the technical assistance program and the procedures in using the program. Summary of past rebate program effects DSM program size and future plans, changes.	Asked to be contacted re: written comment	DONE: J. Dunham gave a DSM presentation to Mr. Reichert and his colleagues on all aspects of the programs on 4/16/03.
Jim Southworth	The Miriam Hospital		We have participated in these programs and will do so in the future. Please send me information on the BOC program part 1.	Written request for info on feedback form	TO DO: McAteer assigned F. Dagher and A. Mulak of NEEP to f/u
Leonard Wright Dunham	Town of Tiverton RI - School system (Business Mgr.)			Asked to be contacted re: written comment, probably wants general info	DONE: J. Dunham will meet with the customer on Tuesday, 5/19/03. TO DO: McAteer assigned T. Coughlin to f/u re: schools initiative?
Bob Cerio Matulaitis	Warwick Schools		Asked for info on increased ability of kids to learn with good lighting. Kevin Keena promised to get him a copy of the study.	Request from Q&A session	DONE: Study and additional reports sent by T. Coughlin day of Forum.